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# Table of Contents

Item	Page No.
Vision and Mission	Pg 2
Acronyms and Abbreviations	Pg 3
<b>Chapter 1</b> Introduction, Executive Summary	Pg 4-5
Legal Framework	Pg 6
Executive Mayor's Foreword	Pg 7
Acting Municipal Manager's Statement	Pg 8-9
Audit Committee Chairperson's Report	Pg 10-12
Overview of the municipality	Pg 13
General Background	Pg 14-23
<b>Chapter 2</b> Performance Highlights	Pg 24-56
<b>Chapter 3</b> Human Resources and other Organizational Management	Pg 57-70
<b>Chapter 4</b> Audited Annual Financial Statements	Pg 71-138
Approved tariff Charges	Pg 139-144
<b>Chapter 5</b> Functional Areas Services Delivery Report	Pg 145-204
<b>Chapter 6</b> Council Oversight Report	Pg 205-216

# **VISION**

*"A leading local municipality that empowers its communities through excellent service delivery"*

# **MISSION**

*"To enhance the quality of life of all the communities in Nkomazi Local Municipality area through rendering basic services in an efficient and cost-effective manner that adheres to the principles of sustainable development"*

## Acronyms and Abbreviations

MFMA	Municipal Finance Management Act
MSA	Municipal Systems Act
IDP	Integrated Development Plan
MIG	Municipal Infrastructure Grant
DoE	Department of Energy
DWA	Department of Water Affairs
COGTA	Department of Corporate Governance and Traditional Affairs
AG	Auditor General
Cllr	Councillor
VAT	Value Added Tax
GIS	Geographic Information System
LEDF	Local Economic Development Forum
EPWP	Extended Public Works Programme
MAM	Multi-Agency Mechanism
SDF	Spatial Development Framework
LUMS	Land Use Management System
DBSA	Development Bank of South Africa
LED	Local Economic Development
PRASA	Passenger Rail Agency of South Africa
<b>SMME'S</b>	Small Medium and Macro Enterprises
CPMD	Certificate programme in Management development for Municipal Finance
SALGA	South African Local Government Association
FIFA	Federation International Football Association
PC	Personal Computer
DoRA	Division of Revenue Act
HR	Human Resources
PMS	Performance Management System
MPRA	Municipal Property Rates Act
GRAP	General Recognized Accounting Practice
PMU	Project Management Unit
VIP	Ventilated Improved Pit Latrine
CLO	Community Liaison Officer
CIDB	Construction Industry Development Board
CIP	Comprehensive Infrastructure Plan
MCPF	Municipal Council Pension Fund
MGF	Municipal Gratuity Fund
MFMP	Municipal Finance Management Programme

# CHAPTER 1

## Introduction and Overview

1.1	Executive Summary
1.2	Legal Framework
1.3	Executive Mayor's Foreword
1.4	Municipal Manager's Statement
1.5	Audit Committee Chairperson's Report
1.6	Overview of the municipality
1.7	Executive Committee Structure
1.8	General Background





# Executive Summary

The Nkomazi Municipality Annual Report has been developed according to the provisions of Section 121 of the Municipal Finance Management Act (MFMA), 56 of 2003 and Section 46 of the Local Government: Municipal Systems Act (MSA), 32 of 2000.

According to the National Treasury guidelines for the preparation of the Annual Report, the report should comprise five chapters to reflect the key activities undertaken within the organisation during the year under review. A brief summation of what is contained in each chapter is outlined below.

## Chapter 1:

This chapter contains the geographic location of the municipality as well as the population dynamics of the municipality. Key to this chapter is the consultative processes that the Municipality embarked on, which led to the creation of the IDP document. The chapter touches on issues of governance and how the Council is constituted.

## Chapter 2:

This chapter reports on and highlights some of the key achievements and challenges of the organisation during the year under review. However, it is befitting to indicate that the Municipality faced a number of challenges, which ranged from the storm disasters that affected households and schools to mention a few, we continued to excel in service

delivery. This has been evident through the number of accolades that the Municipality has received. A detailed account of this is outlined in this chapter.

## Chapter 3:

This Chapter reports on the programmes the Municipality designed to improve employment equity and skills development. It also highlights Human Resource Management Policies and Practices that have been carried out to build staff capacity. To ensure transparency, issues of remuneration of Senior Management have also been covered.

## Chapter 4:

Key in this chapter is the fact that the municipality has submitted Annual Financial

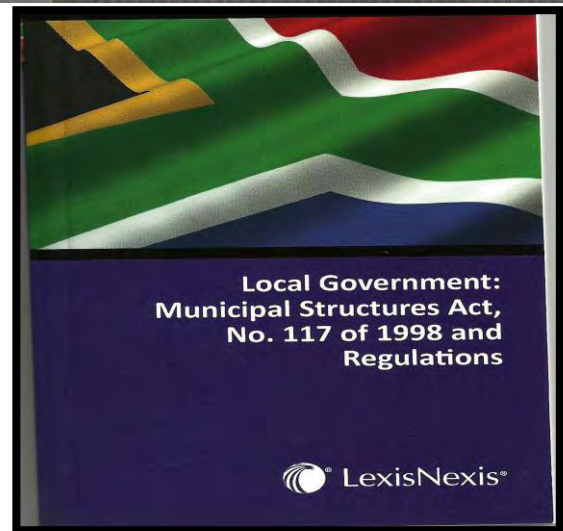
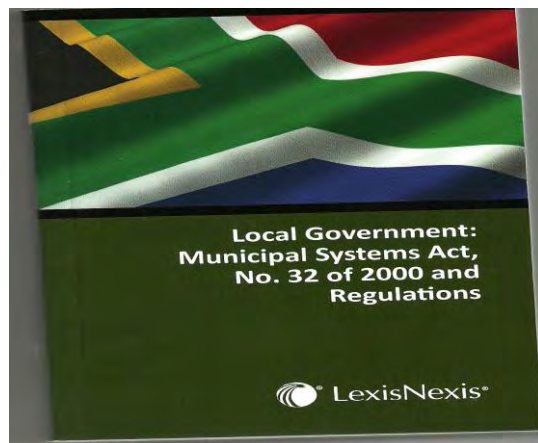
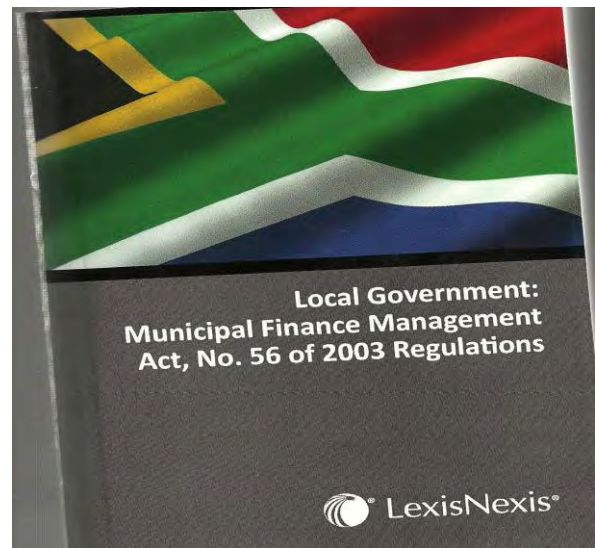
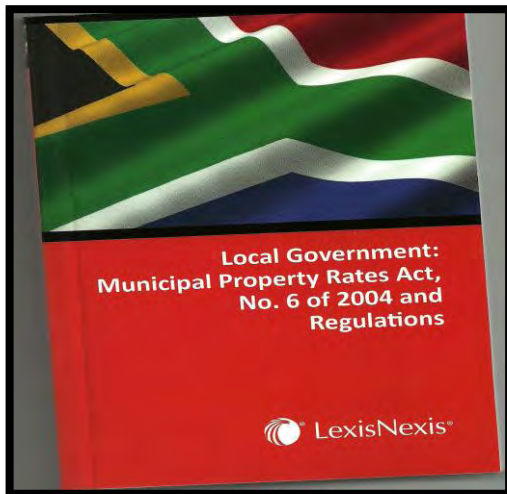
Statements to the Auditor General for auditing.

## Chapter 5:

During 2011/2012 financial year the municipality has increased compliance with local government laws across a range of different pieces of legislation governing our operations. National Treasury has provided a reporting format for the Annual Performance Report and that is evident throughout this chapter.



# Legal Framework



The 2011/2012 Draft Annual Report has been prepared in accordance with the provisions of Section 121 of the Municipal Finance Management Act, 56 of 2003 and Section 46 of the Local Government's Municipal Systems Act, 32 of 2000.

In presenting this report for the financial year ended 30 June 2012, the municipality acknowledges progress made during the 2011/2012 financial year as well as the daunting challenges that still lie ahead. A detailed account of all the challenges and

remedial actions has been provided in this report.



**Mr MD Ngwenya**  
**Municipal Manager**

# Executive Mayor's Foreword



**Guided by the theme, 'together building a better life to ensure effective and efficient service delivery'.**

It is once again that time of the year where we reflect in retrospect on the extent to which our performance standards have been able to respond to the pressing needs and expectations of the people of Nkomazi

It is that time where the dictates of transparency, openness and accountability demand of us to lay bare and table our annual report before our people who have entrusted us with such a humbling responsibility to be the custodians of their hopes and aspirations.

We will outline in this regard that as a municipality we continue to be saddled with the responsibility to provide on sustainable basis quality municipal services and to further facilitate the socio-economic development of the communities within our jurisdiction. This responsibility entails *inter alia* good governance and prudent financial

management with the aim of creating conducive environment for Job creation and community development for our people through such programmes as LED, EPWP and infrastructure development.

It becomes important further to note that the municipality plays a critical role in ensuring that through the public participation aspect of the IDP and the budget process, our people are given the opportunity to determine the development trajectory of their own communities thereby giving credence to the ideal of creating a people centered local government.

Accordingly this annual report will in the main endeavor to describe how Nkomazi Municipality has, in various ways impacted on the lives of ordinary residents seeking services from the municipality, community formations advocating for development in the rural

villages where they live, external stakeholders seeking to create strategic links with the developmental agenda of Nkomazi through the strategic municipal partnerships such as the NSSF and MISA ,transversal interventions , infrastructure investments and LED to mention but a few of the focus areas that were dealt with in the preceding year.

We are therefore honored to table this annual report for the financial year 2011/12 to the people of Nkomazi; we will also be making it available to all our stakeholders and any other interested individuals, bodies or formations.

**Cllr TS Khoza**

Her Worship, the Executive Mayor



# Municipal Manager's Statement



**The 2011/2012 financial year was a period of memorable service delivery achievements for the municipality; the institution affirmed itself as a committed municipality in fulfilling its legal obligation and the implementation of our Integrated Development Plan.**

As an accounting officer, I have a pleasure in presenting the Annual Report of Nkomazi Local Municipality for the financial year which ended 30 June 2012. The report is presented in terms of Section 121 of the MFMA, Act No. 56 of 2003. Furthermore, I would like to point out the following;

Nkomazi Local Municipality, more than ever before is service delivery driven and optimistic about the future. Whilst the challenges that the municipality has endured over years are

acknowledged, all of us have an obligation to change the situation for the better. We also would like to put it on record that irregularities is a culture which we will refuse to embrace and as change agents we commit ourselves to do everything within our powers to reverse those pockets of mismanagement and tirelessly continue as a collective to cultivate a new culture of good governance, professionalism and passion for providing quality services and being the servants of our communities.

As a municipality we are governed by the laws of the country which in all respects are designed to create a platform for good governance and as such, it would be a travesty of justice if for malicious reasons, any one of us subscribes to counterproductive tendencies motivated by greed and other social ills. We need not shy away from these things as our silence could easily be misinterpreted to mean that we condone actions that compromise service delivery.

Having put our administrative position clear, it is important to understand that as administrators we do not work in isolation but rather that we provide advice to our policy makers and also implement the decisions that they take and our actions and results should be subjected to continuous monitoring through oversight structures, to ensure that the intended outcomes and desired objectives are achieved.

Thus far, the municipality has just gone through a very difficult transition phase of the previous leadership to a new phase of new leadership which for all intents and purposes has high expectations on service delivery implementation in order to gain the confidence of the electorate.

There are vigorous and concerted efforts towards the filling of all the critical posts including those that have remained vacant. Once all

these posts have been filled there will be no reason why service delivery should not improve. Furthermore these vacant posts are not just a numbers game but each position has a key role to play in the management and consolidation of activities towards a common goal. The gaps that were created by the non-filling of posts have had far reaching implications in the running of the municipality resulting in inefficiency and overworking of the present workforce.

**The municipality's cash flows** are sound and assurance is given that the municipality will continue to improve and to meet its financial obligations such as the payment of salaries for staff and councillors and the payment of service providers in line with the turn-around time among other things, whilst at the same time intensifying its revenue collection by coming-up with a revenue enhancement strategy. This has been

witnessed by obtaining an unqualified audit report. We also want to put it on record that we are striving for a clean audit record as per the call by the Auditor General.

More than ever before, the political climate that prevails is highly conducive to good working order that is being harnessed by the capability of our newly elected council. Working together we can do more to achieve our utmost goal **"A Better Life for All, Imphilo Lencono"**.

Thank you!

  
**Mr MD Ngwenya**  
**Municipal Manager**

# Audit Committee Chairperson's Report



**We are pleased to present our report for the financial year ended 30 June 2012**

## 1.1 Audit Committee Members

The Audit Committee was appointed in May 2009 and consists of the members listed hereunder. During the 2012 financial under review, 5 meetings were held.

Member's name	Number of meetings attended	Comments
Mr BT Khoza	4	Former Chairperson-Resigned-15 May 2012
Mr MJR Mpai	3	Member
Mr RT Dipone	5	Chairperson - from 1 June 2012
Mr T Taku	2	Member

## 1.2 Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 166 (2) – (4) of the MFMA. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter and regulated its affairs in compliance with this Charter, and has attempted to discharge its responsibilities as contained therein. The Audit Committee has addressed itself to the financial statements of the Municipality during the period under review.

### 1.2.1 The effectiveness of internal controls

Whilst the various reports of the Internal Auditors as well as the Audit Reports on the Annual Financial Statements and management letter of the Auditor General indicates that the system of internal control has shortcomings, the Audit Committee has noted the progress being made in this regard, especially in view of the significant and material non-compliance with prescribed policies and procedures that were reported on during the previous financial year and the resultant qualified audit opinions.

In the supply chain management unit major control deficiencies and non-adherence to supply chain management policies were identified as a major concern with regard to achieving a clean audit.

### **1.2.2 Risk Management**

The Municipality has developed and approved a risk management strategy. This strategy is the foundation for a continuous risk assessment process and for management monitoring of risks on an on-going basis.

### **1.2.3 Internal Audit**

Internal auditing provides a supportive role to management and the Audit Committee to achieve their objectives by assisting in the management of risks within the municipality.

The internal audit component is responsible for independent and objective evaluation of the **department's system of internal control** at a detailed level and to bring any significant business risks and exposure to the attention of management and the committee through the provision of comprehensive internal audit reports.

### **1.2.4 Aspects requiring specific mention**

Supply chain management remains a serious challenge

with respect to controlling unauthorised expenditure. Efforts and measures have been taken to ensure non-recurrence of unauthorised expenditure that is wasteful and fruitless.

### **1.2.5 Auditor General's report**

The Audit Committee has taken note of the findings and opinions of the Auditor-General, and is monitoring the steps being taken by management to address each of the issues raised.

- Unauthorised Expenditure: As disclosed in notes to the financial statements, unauthorised expenditure due to overspending of unapproved budget.

- Fruitless and wasteful expenditure  
As disclosed in not 46 to the financial statements, fruitless and wasteful expenditure of R2.3m due to capacity non utilization and payments made for work not done.

- Recommendation:  
The draft audit report revealed that majority of the individual audit findings on unauthorised, irregular and fruitless and wasteful expenditure related to deficiencies within the Supply Chain Management Unit.

The audit committee recommends that the supply chain operations be reviewed and a strong compliance culture be established.

- Predetermined Objectives

The Auditor general reported deficiencies in relation to Performances against predetermined objectives which were not reported using National Treasury guidelines:

- Reason for major variances between planned and actual reported target not provided in report on predetermined objectives.

- Reported objectives, indicators and targets not consistent with the approved IDP

- Reported objectives, indicators and targets not consistent when compared to planned objectives, indicators and targets

- Changes to planned objectives, indicators and targets not approved

- Non-compliance with laws and regulations:

- Annual financial statements, expenditure management, procurement and contract management, transfer and conditional grants, budgets.

The audit committee recommended that the municipality should develop turnaround strategy to address all the deficiencies raised by the Auditor General of South Africa and present it to the audit committee.

### **1.2.6 Department quarterly reports and turnaround strategy reviews**

We have been reviewing the departmental quarterly reports and we are happy to report that the information and formats of the reports have improved. The remaining challenge is to align the annual budget to the spending by the departments in order to reduce variances.

A turnaround strategy has been formulated and objectives were set in order to address all the findings. As the audit committee we have been reviewing the progress on the implementation of the turnaround strategy. Part of the outputs of the turnaround strategy was to fill all the managerial posts by the end of March. We are satisfied that the municipality has made progress in advertising and interviewing candidates to fill the managerial positions. We are confident that the full time managerial team will be in place by year end.



### **1.2.7 Evaluation of Financial Statements**

The Audit Committee accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

### **1.2.8 Changes in audit committee structure**

T Khoza resigned as Chairperson of the audit committee with effect from 02 May 2012 and Council appointed Mr RTO Dipone to be a chairperson of the audit committee.

### **1.2.9 Conclusion**

The municipality has moved from a disclaimer in 2009 to an unqualified report with emphasis of matters in 2011 financial year, which is a great milestone achievement, considering that of the 283 municipalities in South Africa only a handful were awarded unqualified audit reports, commonly referred to as clean reports. We have seen the Risk Management unit being set up as well as the risk management committee in ensuring good governance and risk monitoring of the municipality.





These achievements came as a result of commitment and hard work of all parties concerned.

The Audit Committee extends its appreciation to management and the internal audit unit for their efforts in addressing the issues raised in the auditor general's report.



Mr RTO Dipone  
Chairperson: Audit Committee

# Overview of the Municipality



## MUNICIPAL AREA: BASIC STATISTICS AND FIGURES

### Locality

The Nkomazi Local Municipality is located in the eastern part of the Ehlanzeni District Municipality of the Mpumalanga Province. The municipality is strategically placed between Swaziland (North of Swaziland) and Mozambique (East of Mozambique). It is linked with Swaziland by two provincial roads the R570 and R571 and with Mozambique by a railway line and the National road (N4), which forms the Maputo Corridor. The Nkomazi Municipality is 4786.97 km<sup>2</sup> in terms of the new demarcation which includes a portion of Kruger National Park. The Municipality is bounded by the Mozambique to the east, Swaziland to the south, Kruger National Park to the north, Umjindi Local Municipality to the south west and Mbombela Local Municipality from the northwest to west. In 2001 the population of the Nkomazi Local Municipality was at **334 408** persons and in terms of the Statistics SA 2007 Community Survey the population is now estimated at **338 095** persons, an increase by **3 687** persons. In 2001 the Municipality had 56 villages, 185 farm portions, 75 593 households and in 2007 the Community survey found that the households have increased to 78 254. As stated above the population of this Municipality has increased slightly, factors such as migration, death and birth has influenced the slow growth of the population. An increase in population size and the number of households is expected when the final results of Census 2011 are released in October 2012.



## **Tribal Authorities and accompanying Villages**

In addition, the Nkomazi Local Municipality is made out of several villages that are under the control of traditional authorities. There are 7 tribal authorities and about **56** villages grouped as follows:

### **Mlambo Tribal Authority**

Mbuzini; Mabidozini; Samora Park; Emacambeni; Mbangwane; Ekusulukeni; Khombaso; Tsambokhulu; Mananga; Masibekela; Mandulo; Mthatha; New Village; and Hlahleya.

### **Hhoyi Tribal Authority**

KaHhoyi (Fig tree); Eric'sville and Goba.

### **Siboshwa Tribal Authority**

Part of kaMaqhekeza; Block A (Kazibokwane); Block B (Kasibhejane); Block C (Esibayeni); Tonga; Los My Cherry; Ngwenyeni and Dludluma.

### **Kwa-Lugedlane Tribal Authority**

Mangweni and Steenbok.

### **Mawewe Tribal Authority**

Magudu; Mgobodzi; Madadeni; Sibange; Phakama.

### **Matsamo Tribal Authority**

Jeppes Reef; Schoemansdal; Buffelspruit; Driekoppies; Middleplaas; Schulzendal; Mzinti; Ntunda; Phiva; Mdladla; Phosaville; Langeloo; Ekuphumuleni; Sikhwahlane.

### **Mhlaba Tribal Authority**

Magogeni; Boschfontein; Skoonplaas.

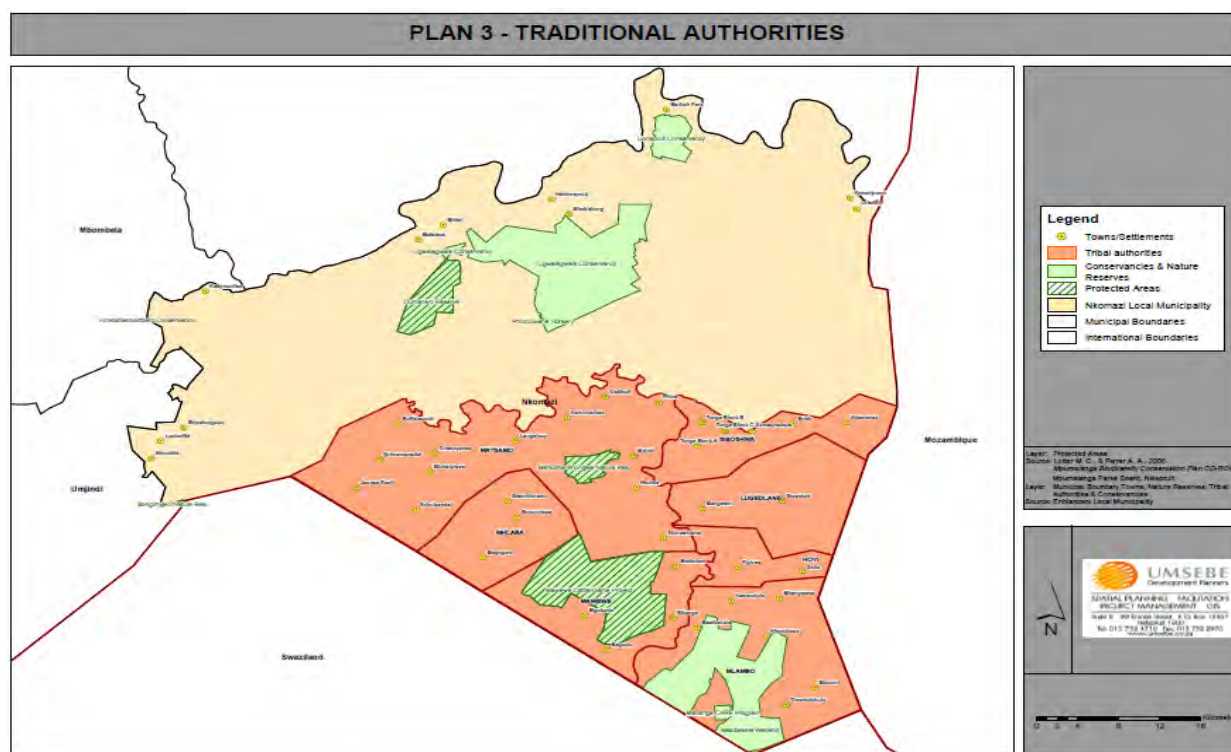


Figure 3: The Traditional Authorities Boundaries in Nkomazi Municipal Area

## How is Nkomazi Municipality structured?

In accordance with the Constitution Act, 108 of 1996, the Nkomazi Municipality's Council is ultimate political decision-making body of the Municipality.

The Executive Mayor of Nkomazi Municipality takes overall strategic and political responsibility, whilst the Municipal Manager heads the Municipality's administration and is responsible for the implementation of policies and the Integrated Development Plan (IDP).

## What is the Municipality's Vision and Mission?

### Vision

"A leading local municipality that empowers its communities through excellent service delivery"

### Mission

To enhance the quality of life of all the communities in the Nkomazi Local Municipality area through rendering basic services in an efficient and cost-effective manner that adheres to the principles of sustainable development.

## What is the status of the Nkomazi Municipality IDP?

Nkomazi IDP was developed in line with the provisions of the local government Municipal Systems Act 32 of 2000. The IDP process plan for 2011/2012 was developed in line with the Ehlanzeni District Municipality Framework Plan and was approved by Council on the 08 of September 2010. Copies of the IDP Process plan were made available to all key stakeholders including communities for noting and participation during the IDP process.

In ensuring that the IDP is developed in line with the prescripts

of the law, the following was given due consideration:

- Technical assessment by the COGTA
- MEC's comments raised during the 2010/2011
- Auditor General's report for 2010/2011

A number of strategic sections were held to ensure maximum participation by stakeholders in the IDP development. Copies of the Draft IDP were made available to the public and stakeholders for comments and inputs. A programme to visit communities on the draft IDP was developed and implemented before the final IDP was approved.

### a) Stakeholders Consultation

This IDP was developed after the Municipality has experienced service delivery protests which might be associated with the Local Government elections of 2011; as a result there was a



need to pay special attention to service delivery challenges as raised by communities and the Nkomazi municipality Manifesto by the Governing Party. Below are the issues which required immediate intervention:

- Water provision
- Construction of Roads and Storm Water Drainage
- Provision of electricity
- Sanitation
- Waste Management
- Housing and Land Ownership
- Education
- Health
- Local Economic Development
- Community facilities
- Safety and Security

In response to the above, the bulk of the budget was directed towards addressing critical issues raised by communities and commitments in the manifesto.



## b) IDP Alignment

As some of the concerns raised by communities during the IDP consultations are a mandate of sector Departments, there has been a need for the Provincial and National departments to re-

align their plans in order to respond to these issues. Engagements with sector Departments at the level of the Municipality and the District were held. A number of projects were received from Sector Departments as way of responding to the issues raised. The Comprehensive Rural Development Programme as a component of the IDP is also playing a key role in delivering services in a speedy, sustainable and efficient manner.

## Nkomazi's High Level Strategic Objectives

In localising priorities of the 2011 manifesto and in meeting key challenges facing our communities, Nkomazi has identified the following strategic goals:

### 1. Build local economies to create more employment, decent work and sustainable livelihoods

- Create an investor friendly environment. (Identification of key economic drivers)
- Facilitate job creation and access to business opportunities
- Initiate capacity building programmes that contribute to the development of employable, educated and skilled citizens.
- Continuous and positive interactions with all key economic anchors and actors
- Reduced dependency on grant transfers

### 2. Improve local public services and broaden access to them

- Ensure access to quality, sustainable and reliable municipal services in all wards (e.g water, sanitation, electricity, refuse removal and road infrastructure)
- Regular investment on infrastructure (Procurement of new , maintenance and replacement of old infrastructural assets)
- Maximise utilisation of technology
- Provision of secured land tenure rights options and formalisation of informal settlements

### 3. Build more united, non-racial, integrated and safer communities

- Maintain effective intergovernmental and stakeholder relations
- Establish feedback mechanisms in order to ensure responsiveness to communities
- Mainstream issues of special groups and HIV/AIDS into municipal business

- To ensure occupational health, safety and wellness of officials and councillors

#### **4. Promote more active community participation in local government; and**

- Promote a culture of participatory democracy and integration
- Create strong sustainable governance and institutional structures

#### **5. Ensure more effective, accountable and clean government that works together with national and provincial government**

- To enhance sound, viable and legal compliant financial management.
- Development of annual and medium term outlook on revenue and expenditure plans and targets.
- Strengthen integrated planning and accelerated implementation

- Continuous institutional risk management



## ADDRESS DETAILS

Postal Address	Private Bag X101, Malalane, 1320
Physical Address	9 park Street, Malalane, 1320
Contact Numbers	Tel: (013) 790-0245, Fax: (013) 790-0886
Web Address	<a href="http://www.nkomazi.gov.za">www.nkomazi.gov.za</a>
Municipal Type	Category B (Municipal Structures Act)
Municipal Demarcation Board Code	MP324
Location of Head Office	Malalane
Municipal Area (km <sup>2</sup> )	3 219.35
Population (2001)	335 581
Number of Households	85 000
Unemployment rate	49.5%

## FULL TIME COUNCILLORS

Cllr TS Khoza	Executive Mayor
Cllr KJ Macie	Speaker
Cllr S Mabuza	Chief Whip
Cllr MW Mhlanga	MMC: Budget and Treasury
Cllr PP Magagula	MMC: Corporate Services
Cllr MR Shongwe	MMC: Infrastructure Development
Cllr EM Ngomane	MMC: Community Services
Cllr SL Mkhathshwa	MMC: Planning and Development

## MEMBERS OF PORTFOLIO COMMITTEES

### CORPORATE SERVICES

1. Cllr Magagula PP
2. Cllr Maphanga DA
3. Cllr Dikiza GK
4. Cllr Masilela DL
5. Cllr Mkhumbane CT
6. Cllr Masilela JD
7. Cllr Vuma LT
8. Cllr Mathenjwa ND
9. Cllr Ndlala SJ
10. Cllr Nkentshane EM
11. Cllr Mambane DS
12. Cllr Hlahla DB
13. Cllr Ngomane BD

### BUDGET AND TREASURY

1. Cllr Mhlanga WM
2. Cllr Letsoalo MS
3. Cllr Shongwe V
4. Cllr Mabuza LA
5. Cllr Zitha MA
6. Cllr Mthombo TM
7. Cllr Lusibane FN
8. Cllr Masuku SH
9. Cllr Makamo SL
10. Cllr Motha CM
11. Cllr Shabangu VT
12. Cllr Shungube ZT

## PLANNING AND DEVELOPMENT

1. Cllr Mkhathshwa SL
2. Cllr Mahlalela EJ
3. Cllr Masilela ET
4. Cllr Mkhabela L
5. Cllr Ngomane LP
6. Cllr Myeni NM
7. Cllr Nkambule GJ
8. Cllr Mazibuko BC
9. Cllr Dlamini Zitha SP
10. Cllr Cloete A
11. Cllr Makhubela LS
12. Cllr Thumbathi BP

## INFRASTRUCTURE DEVELOPMENT

1. Cllr Shongwe MR
2. Cllr Mahlalela SS
3. Cllr Luphoko PC
4. Cllr Mnisi PM
5. Cllr Mathonsi SS
6. Cllr Makhubela JJ
7. Cllr Preddy MMS
8. Cllr Sibiya S
9. Cllr Msithini ZS
10. Cllr Mabuza VE
11. Cllr Langa NP
12. Cllr Ntuli J

## DIRECTORS/SECTION 57 & 56

Mr MR Mkhathshwa	Acting Municipal Manager (End of Acting Capacity – 31 December 2011)
Mr MD Ngwenya	Municipal Manager (Appointed – 03 January 2012)
Mr WM Nhlambo	Director Infrastructure development
Mr BT Khoza	Chief Financial Officer
Mr SM Manzini	Director Corporate Services
Mrs A Nortjé	Director Planning and Development (End of Contract – February 2012)
Mr EA Zitha	Acting Director Infrastructure Development
Adv MB Shabangu	Acting Director Corporate Services
Mr VJ Makwakwa	Acting Director Community Services
Mr JW Mkhonto	Acting Chief Financial Officer
Mr DS Nkosi	Acting Director Planning and Development

## COMMUNITY SERVICES

1. Cllr Ngomane EM
2. Cllr Nkosi MJ
3. Cllr Shongwe DM
4. Cllr Makhubela BS
5. Cllr Malaza BB
6. Cllr Silombo SR
7. Cllr Mnisi DP
8. Cllr Madolo SP
9. Cllr Mziako PM
10. Cllr Ngomane GB
11. Cllr Mogiba GN
12. Cllr Mkhumbane RM

**Below is the statistical report on the attendance of Mayoral and Portfolio Committee meetings respectively:**

Statistical Report on the Attendance of Mayoral Committee and Portfolio Committee Meetings			
Portfolio Committee	Meetings Scheduled	Meetings Held	% of Sittings
Planning and Development	05	4	80%
Infrastructure Development	11	5	45.45%
Community Services	09	5	55.55%
Corporate Services	12	7	58.33%
Budget and Treasury	11	5	45.45%
Mayoral Committee	12	8	66.67%



# Governance: Executive Structure



*Cllr TS Khoza  
Executive Mayor*



*Cllr KJ Macie  
Speaker*



*Cllr S Mabuza  
Chief Whip*



*Cllr EM Ngomane  
Exco Member*



*Cllr PP Magagula  
Exco Member*



*Cllr MW Mhlana  
Exco Member*



*Cllr SL Mkhathshwa  
Exco Member*



*Cllr MR Shongwe  
Exco Member*

# Council

The executive and legislative authority of a municipality is vested in its Municipal Council. The pre-eminent roles of the Council, amongst others, are the approval of by-laws, budget, policies, IDP, tariffs for rates and service charges.

The Council consists of 65 members, eight of whom are full-time. Table 5 depicts political and gender representation on Council.

Table 5: Political and Gender Representation on Council

Party	Councillors	Female	Male
African National Congress	60 (92.31 %)	28	32
Democratic Alliance	4 (6.15%)	2	2
African Christian Democratic Party	1 (1.53 %)		1
<b>TOTAL</b>	<b>65</b>	<b>30</b>	<b>35</b>



## Chapter 2

# Performance Highlights and Challenges

- [2.1 Planning and Development](#)
- [2.2 Community Services](#)
- [2.3 Corporate Services](#)
- [2.4 Budget and Treasury](#)
- [2.5 Infrastructure Development](#)





## Planning and Development Department

### Performance Highlights

The department renders services in the following sections:

- Integrated Development Planning
- Urban and Rural Development
- Local Economic Development and Tourism

The municipality together with Ehlanzeni District Municipality is in the process of finalising five [5] township establishment projects that were initiated around the year 2000 but never finalised due to reasons ranging from lack of funds, to issues relating to the release of state land. These projects include the following villages or settlements: Phosaville, Driekoppies, Langeloo, Mzinti and Buffelspruit. Furthermore, the municipality is also in the process of ensuring security of land tenure for all residents residing in Traditional Authority areas through the formalisation of existing settlements. Currently, the Block C settlement is undergoing this process and more other villages will soon follow as the programme is being rolled over in a number of years given the limited resources at the **municipality's disposal. As a** mechanism to control further development brought about by the need for housing land,

the municipality is also finalising a few green-field projects, i.e. Pholane in Komatipoort with a 1000 new vacant stands and Mjejane with an additional 3000 new stands. However, the municipality is having difficulty with both Mjejane and Pholane townships in that land availability agreements need to be entered into but not forthcoming making it impossible to proceed and finalise these within reasonable timeframes.

The final SDF was approved by Council and the draft LUMS was adopted as a draft. However, problems arose with regard to the applicability of the Town-planning and Townships Ordinance, 1986 in the former KaNgwane Self-governing territory. A legal opinion sought indicates that indeed the said Ordinance of 1986 is applicable to the former KaNgwane area, however, the other challenge relates to the need to incorporate a portion of the former DMA [i.e. Kruger National Park] into Nkomazi subsequent to the recent demarcation of municipal boundaries.

The Department realized that policies to guide development are lacking and the following policies were developed and approved by Council: Agricultural Land

Subdivision Policy and Guest House Policy. It also became clear that no fees are charged towards bulk service contributions from developers and the department addressed this. Tariffs in this regard were promulgated during the 2011/12 budget process.

The Department planned to develop a long term development strategy for Nkomazi and the tender was advertised. However, due to the fact that there was no cash backed surplus funding, the project had to be cancelled and will now continue in the 2012/13 financial year.

With regards to Good Governance and Public Participation, the department planned to improve the IDP to the extent that it will be 70% credible. Problems encountered during the previous financial year were addressed and the public participation process was followed as per approved IDP Process Plan.

During the assessment of the IDP, Nkomazi was rated as amongst the top 7 in the province which is an achievement. There are still outstanding sector plans which must be updated / compiled during the current financial year. This will increase the assessment of the IDP even more.

However, the cooperation of the other relevant departments will be needed in this regard.

On Local Economic Development, the department managed to do the following during the 2011/2012 financial year in an attempt to create an environment that is conducive to economic development:

- Land was identified in Komatipoort and it was approved that this land be rezoned for industrial use. The area can be marketed for investors as this area is next to the Maputo Development Corridor. An application to establish an industrial development in the area has been approved in principle by Council and the rezoning of the land is underway.

Assisted the informal trading sector by building facilities in Malalane, Komatipoort, N4/R570 intersection and Mbuzini. Stalls were built in Malalane and Komatipoort, building plans were drawn for Mbuzini and planning for the N4/R570 development was finalized. Due to the problem mentioned above with regard to the surplus, the projects could not proceed any further and the department is now in the process of scouting for funding to complete the projects.

Two crafters markets were also planned, one in Schoemansdal and one in Malalane. The one in Malalane was also intended to be used as a day market for hand crafted goods once a month and to incorporate a botanical garden as well. Negotiations were conducted with land owners who indicated that they will support a hiking trail from the market to the Spargo dam which will cut across their land. However, the lack of surplus funding also stopped these projects and all that could be done was to clear and fence the areas. Building plans for Malalane market were drawn and approved.

The Department further attempted to assist the Mangweni Cultural Village, however it was found that feasibility studies and business plans were not done and the sustainability of the project was questioned by the political leadership as well. Therefore, the project was placed on hold and the assistance of the tourism sector was invited to ensure that a sustainable project will be created. Funding remains a problem as this project was also funded from surplus funding.

The Department also participated in the Tourism Awareness month and one event was hosted by the municipality, focusing on scholars.

Progress has been made with regard to future contributions by developers towards bulk service infrastructure as the Department managed to have tariffs promulgated which are already payable by developers.

The manager responsible for LED and tourism has since been appointed and the LED unit is now more functional than before. The municipality hopes that applications for funding will be submitted to other potential funders for all LED and Tourism projects.

## Challenges

The lack of funding during the 2011/12 financial year was the biggest challenge for the department as goals could not be achieved. Lack of building control officials remains a problem as the department only has 3 officials at its disposal.

The continued development in rural areas on land allocated by Traditional Authorities remains a problem as development cannot be coordinated in this way and no proper planning for infrastructure can be done.



# COMMUNITY SERVICES DEPARTMENT



## DEPARTMENTAL FUNCTIONS

- Waste Management
- Nature Conservation
- Fire & Rescue Management
- Vehicle Licensing and Testing
- Protection Services
- Community Development
- HIV/AIDS Management

## KEY PERFORMANCE AREAS

The performance of the Department is measured against the performance areas as identified and approved by Council, namely:

1. Basic Service Delivery
2. Good governance and public participation
3. Local Economic Development
4. Municipal financial viability and management

5. Municipal institutional Development and Transformation

### KPA1: Basic services

Accessibility to public facilities (stadia, community halls, parks & cemeteries, libraries and international monument) Libraries and Monument improved through provision of repairs and maintenance services. Number of bookings increased drastically especially with the community halls and stadia, libraries during exam times. Best practices model cooperated within the licensing guidelines, all customers served. 54600 households received waste collection services. HIV/AIDS

Counseling and testing services expanded from community outreach to home education, awareness and home HIV/AIDS Counseling and Testing and as part of basic information and service needed by the community.

Services extended from community outreach to home education, awareness and home HIV Counselling and Testing.

### KPA2: Good Governance and public participation

Stakeholder forums strengthened with quarterly meetings. Mayoral cup held and 32 winning teams awarded. On Female soccer 4 teams awarded and netball four teams, Basketball 4 teams. Nkomazi cleanest

competition was conducted and 49 schools participated. Ehlanzeni District Municipality awarded Nkomazi for having the best AIDS programme at the District, Nkomazi Local AIDS Council recognized by COGTA and SALGA to be the best in the country in terms of HIV programming and implementation. 2011 SALGA awards obtained for the best HIV/AIDS Council Programmes in the Province. Average fire response time improved from 45 minutes to 30 minutes.

### **KPA3: Local Economic Development**

The Department assists recycling companies around Nkomazi and maintaining the status quo for cultural groups and crafters.

### **KPA4: Municipal financial viability and management**

Revenue collection is done in urban, schools, and commercial areas in villages for waste collection.

### **KPA5: Municipal efficiency and productivity**

21 Volunteers recruited and financially supported by international organization on migration for their stipends to make sure that health and wellbeing of migrants and their families is prioritize in Nkomazi. A total amount of US\$115, 000.00 dollars has been committed by the International Organization on migration to run this project.

### **KPA6: Municipal institutional development and transformation**

HIV/AIDS prevalence increased to 47, 3%. HIV/AIDS programmes continue as per the priority areas on the Nkomazi HIV/AIDS strategy. AIDS

Council leaflets designed for communities to understand the roles and responsibilities of the AIDS Council.

HIV/AIDS strategy to be aligned with the national strategy planned and provincial strategy plan to include STI, TB and Migration.

### **Challenges**

The Department faced with different challenges ranging from shortage of personnel and transport, insufficient budget to run programmes and to procure equipment. Waste collection services never extended to reduce the 9288 backlog due to lack of funding to purchase equipment. Shortage of vehicles to attend accidents in order to achieve the target set for 30 minutes. Transportation to attend cultural and sports programmes. To renovate municipal facilities and to procure chairs in all the community halls.



# CORPORATE SERVICES DEPARTMENT

## Performance Highlights

### Support Department:

It supports all the four departments, in particular with the Human Resource issues, portfolio Committee Meetings, training and Development and Record Keeping.

Corporate Services consist of the following key sections:

- Human Resources
- Administration
- Legal Section
- Performance Management Section
- Transversal Section

The office of the Municipal Manager also falls under Corporate Services with the following sections.

- Communications
- Risk Management
- Internal Audit

The following political offices fall under Corporate Services

- Office Of The Speaker
- Office Of The Chief Whip
- Office Of The Executive Mayor

Secretarial to Council, Mayoral Committee and Portfolio Committees.

### Council

- Preparation of agenda
- Distribution of Council agenda
- Recording of Minutes
- Distribution of Minutes

- Consolidation of Council Resolutions

### Challenges

Administration is informed late and therefore this delay the Council's agenda being delivered in time as specified in the Legislation. This also required overtime to be worked.

Late submission of reports results in reports being tabled as addendums and Council does not take note of addendums.

Nkomazi has no Council Chamber

### Achievements

All Council minutes signed by Speaker and correctly filed.

All Council Resolutions consolidated and posted onto the G drive for easy access.

New Sound system has been procured for the recordings of Council discussions and can be saved on the PC instead of cassettes.

### Cleaning Services

Corporate services, is responsible for the cleanliness of all municipal buildings.

### Challenges

Insufficient funds for procuring cleaning materials throughout the year.

## Internal Audit

### Mandate

Nkomazi Local Municipality has established internal audit unit in terms of section 165 of the Municipal Finance Management Act, No 56 of 2003. The unit was established in 2008 and it has three full-time officials, Internal Auditor, Assistant Internal Auditor and internal audit clerk.

### Responsibilities of the Unit in terms of the Act:

1. Prepare a risk-based audit plan and an internal audit program for each financial year,
2. Advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to:-
  - Audit,
  - Internal controls,
  - Accounting procedures and practices;
  - Risk and risk management;
  - Performance management;
  - Loss control; and
  - Compliance with this Act, the Annual DoRA and any applicable legislation, and;
3. Perform such other duties as may be assigned to it by the accounting officer.
4. **Audit Committee**



The Audit Committee was appointed in 2009 and has four (4) members. Their appointment was in terms of section 166 of the Municipal Finance Management Act, No 56 of 2003. The Committee is playing an advisory role to the Council and it meets at least once per quarter.

### **Achievements**

The Internal Audit Unit has managed to perform its duties as required by the Act. All internal audit reports were discussed with management and presented to all audit committee meetings.

1. The following documents relating to the internal audit unit were developed and reviewed in each year:
  - Internal Audit Plan and 3 year rolling plan
  - Internal audit Charter
  - Internal Audit Methodology
  - Audit Committee Charter
2. The Unit has also managed to provide management with monthly and quarterly reports which reflects the performance of the Unit.

### **Challenge**

The Audit Committee Chairperson Mr BT Khoza resigned due to employment opportunities.

### **Recommendation**

To fill the vacant of the resigned Audit Committee Chairperson, Mr BT Khoza.

### **Risk Management**

Risk Management was established to assist management in proactively identifying potential risks that may hinder the municipality from achieving its operational and strategic objectives and thereafter design internal controls aimed at ensuring that the perceived risks are reduced to acceptable levels.

**The municipality's integrated Risk Management (IRM)** process is based primarily on a framework, policy and IRM implementation plan, all of which are defined by the risk appetite as approved by Council. The application of these elements assists the **municipality's management to** prioritise risks and integrate them with the decision-making process.

### **Mandate**

The municipality established a Risk Management Unit in terms of the following provisions:

- Section 62(1)(c)(i) of the Municipal Finance Management Act no 56 of 2003, which states that the Accounting Officer must develop and maintain an effective, efficient and transparent system of risk management and internal controls in accordance

with any prescribed norms or standards.

- King III report on corporate governance

### **Achievements**

The municipality has made great strides in the development of risk management within itself and its directorates. This includes the appointment of a Chief Risk Officer, a Risk Management Committee and the development of risk management frameworks and policies, which enabled the formulation of detailed risk registers for each directorate and department. The Risk Management Committee is chaired by an external independent person as recommended by a Public Sector Risk Management Framework.

Through the monitoring of treatment action plans, risk registers are updated. Regular interactions with management as well as quarterly Risk Management Committee meetings are used to keep management informed on progress made by means of risk dashboards, which summarise the risk profile of directorates and related departments.

The municipality envisages continuous embedding of risk management, improved risk

management relationships at a provincial level through established forums and benchmarking its risk functions against best practices.

### The anti-corruption hotline

The municipality adopted the national anti-corruption hotline, which may be used to report any instance of alleged corruption involving officials. An employee or member of the public may call the anti-corruption hotline on 080 0701 701 to report suspected corruption.

### Challenges

Further initiatives are required to ensure further embedding of risk management in the **municipality's processes**. This would include the developing of clear guidelines and documented procedures to incorporate risk management **into the municipality's strategic** planning processes and the development of performance measurements on an operational level to promote the integration of risk management into day-to-day operations of the municipality. Furthermore, some of the proposed mitigating plans are not timeously implemented resulting in the municipality failing to effectively manage the identified risks.

The section has experienced challenges relating to the implementation of its activities and functions as mitigating plans are not timeously implemented.

### Recommendations

- Ensure timeously implementation of the proposed mitigating plans
- Integrate risk management into day-to-day departmental and institutional operations.

## Communications



The unit has embarked on a number of substantive and strategic engagements with residents, local agencies and regional stakeholders through District Communicators Forum. This is done to ensure that we benchmark with various institutions in terms of ascertaining that government mandate is achieved.

Regular updates of all stakeholders and employees of the Nkomazi Local Municipality about developments in the municipality through standard press briefings and media interviews before and after each and every significant event. (2 radio slots with Ligwalagwala FM every quarter and continuous print media briefings on an adhoc basis).

Furthermore, we print and distribute our municipal newsletter every four months to ensure that the public is aware of the municipal programmes, achievements and shortcomings. We also utilize our interactive municipal website to update activities of the institution [www.nkomazi.gov.za](http://www.nkomazi.gov.za) . The introduction of social media as one of our communication's tools has made us to be able to communicate to the youth through Facebook and twitter, thus has made us to be prompt and get proper feedback quicker.



However, we are faced with some challenges which include limited budget to procure media airtime (radio and TV airtime, proper municipal branding and proper staffing (personnel) etc. The fact that we have identified and acknowledge our shortcomings does not stop us from proper strategizing for the future.

Being proactive and readily available to communicate issues affecting our institution is our main priority to attain a **'better life for all'**.



## PUBLIC PARTICIPATION

The Municipal Systems Act is very specific on the need for community participation. Community participation – derive from Section 152 (1) e of the Constitution, requires municipalities to encourage the involvement of the community organizations in the matters of the local government.

The provisions of community participation in the Municipal Systems Act therefore have a constitutional base.

The local community should be enabled to participate in the affairs of the municipality, and Councillors and staff to foster community participation. Use its resources; annually allocate funds in its budgets, as may be appropriate for the purpose of implementing the above provisions.

However, these provisions must not be interpreted as permitting interference with a **municipal council's right to govern** and to exercise the executive and legislative

authority of the municipality as conferred by the Constitution. In other words, a balance must be struck between community participation and the acts of government:

At some point participation must cease and governing must begin.

The legislation refers to IDP, Performance Management, Budget and Strategic Decisions on the provision of municipal services.

The reference to the above is preceded by the words **'including in'**, the legislation is not exclusive. It would be contrary to the intent of the constitution not to extend community participation to all services, facilities and development.

## PROCESSES AND PROCEDURES FOR COMMUNITY PARTICIPATION

Community Participation must take place through: -

Political structures e.g. sub council and ward committees, Municipal Structures Act. The mechanisms, processes and procedures e.g. communication Strategies and Public Participation, IDP forums, traditional councils, appeals board, Izimbizo, etc

Municipality should provide conducive environment for: -

- -the receipt, processing and consideration of petition and of the complaints lodged by
- members of the community,
- -notification and public comment procedures, when appropriate,
- -public meetings and hearings by the council and other political structures and
- political office bearers of the municipality,
- -consultative sessions with locally recognized community organizations and
- traditional institutions where applicable,
- -report back to the community, e.g. Annual report as per the prescriptions by the MFMA.

- The Municipality is expected to provide mechanisms to cater for: -

- ✓ People who cannot read or write
- ✓ Language preference
- ✓ People with disabilities, e.g. who cannot get to libraries or municipal offices to read documents open for public inputs,
- ✓ Other disadvantaged groups.

The above legislative background laid a foundation and guided the Nkomazi Municipal Council to approve a programme to establish ward committee from all the 33 wards which constitute Nkomazi sub-region. This programme was undertaken in August 2011, two months after the inauguration of the Municipal Council.

Through the office of the Speaker of council who champion all matters on public participation, we successfully re-established all the 33 ward committees from the 33 wards. Because knowledge has proven to be the base of creating a different thinker in a society, a thinker who will make meaningful contribution in the lives of our people; from this

premise, we successfully conducted one induction/workshop and one capacity building workshop during the month of September and November respectively. However, these trainings claimed above exclude a series of training organised by sector departments including SALGA. Through the administrative support we provide to the ward committees as legislative mandate, we have employed two CLOs Community Liaison Officers who assist ward committees with organising meetings by providing loud hailing services and reporting template, hence they should report monthly. Observing from the reports submitted by ward committees, we can safely pronounce that ward committees in Nkomazi are functional and active in executing their responsibilities, though challenges are inevitable on matters of social activities.

Ward committees are designed to extend the services of council closer to communities; they are a platform for engagement between the municipality and communities. The IDP process plan which was approved by council on **August 25, 2011** couldn't be a success if ward committees

were not at the forefront of the programme.

Credibility of our IDP is rated at 79% this year 2012 from the 70% in 2011 as done by Cogta national and provincial, this was achieved through our approach on the IDP process plan and the way we conducted public participation both on the IDP and Budget process.

As Nkomazi Municipality we intends to reap the following benefits from public participation

- Create an enabling platform for community engagement
- Builds or restore confidence of the communities into the system of local government
- Encourages citizens focused service delivery
- Reduces levels of misconception
- Bridges the gap between Government and communities
- Contributes towards a culture of learning (Community Empowerment)
- Increased level of accountability
- People centred governance/development
- Enhanced decision making

***"Together we can build better communities"***



## The legal Unit

The legal department was established in March 2009. This department falls under corporate services and has one official

### Responsibilities Legal Support Section and its mandate

1. Attend to legal property matters (i.e. transfers, sale deeds, contracts (initiations and cancellations, leases, registrations, draft property related reports etc.)
2. Ensure legislative compliance in all departments
3. Issue instructions on litigious matters
4. Attend to disciplinary hearings
5. Prepare legal opinions
6. Draft By-Laws
7. Draft policies
8. Coordinate training workshops for staff on policies and bylaws
9. Draft donation agreements
10. Attend to legal enquiries by the public
11. Finalize tender items
12. Draft and interpret contracts
13. Prepare and submit legal updates on local government legislation and policies to management.

### Achievements

1. There is a decrease in outsourcing of disciplinary hearings, because more matters are being resolved internally.
2. Policies and by-laws have been formulated or amended.

3. Almost all disciplinary hearings have been resolved except those who have been referred to the South African Local Bargaining Council:
  - a. The Lubbe matter= our Attorney Mr. AM Vilakazi has applied for the **review of the arbitrator's** ruling to the labour court.
  - b. The Shabangu matter= the arbitrator ruled that the South African Local Bargaining Council lacks jurisdiction to hear the matter.
4. All civil claims against the municipality are defended in time and the legal section receives reports of all litigations in time
5. All matters with possible legal consequences related to the municipality in general are being attended to as part of the normal daily function of this office, legal responsibilities also entail periodic consultation with council lawyers.
6. The legal unit is part of municipal district legal forum which is formed by all legal sections within the district.
7. 13 drafts by laws submitted to portfolio committee on 8<sup>th</sup> April 2012 and will be approved by council once public participation has been conducted

### Challenges

Under staffing  
Poorly prepared agreements  
e.g. service level agreements  
Poorly conceived litigation  
Failure by departments to consult the legal section before concluding/ signing of any

contract, resulting in civil claims against the municipality  
Lack of legislative updates  
Lack of legal resource bases/centers  
Increase in disciplinary hearings

### Recommendations

- Propose amendments to the organogram to accommodate new appointments to the legal division
- Introduce procedure manual requirements on the preparation and signing of new contracts or the taking over of existing ones.
- Introduce new measures and procedures to be adhered to before legal proceedings are initiated.
- Subscribe to the institutions that supply legal updates to ensure that we are fully apprised of new developments in local government legislation and policy.
- Procure or subscribe to Lexus nexus or any other legal resource service to ensure that we have unfettered access to legal material.
- Establish partnerships with legal divisions of sister municipalities and share experiences.
- Departments must consult the legal department before drafting or signing legal documents.

## Programmes

The legal section, Risk section and HR SECTION will embark on a month-long programme aimed at providing awareness to the whole institution. These programmes will workshop employees on all institutional policies and procedures. This programme will kick start from the first week of October 2011 until the last week of October 2011. Directors and Managers of all the departments will be informed in writing as to the dates of the workshop in order to make arrangements with their officials.

## Transversal

### Mandate

The Special Groups focus was proclaimed by the Presidency as the most vulnerable and historically disadvantaged individuals (Women, Children, Disabled Persons, Elderly and Youth). The Mandate of the Government is to ensure that the above mentioned Special Groups are given preference in Service Delivery by:

- Ensuring effective coordination of Special Groups issues (Women, Children, Disabled Persons, Elderly and Youth Development).
- Liaison between the community, stakeholders and Government Departments for rendering services to the public.
- Ensuring that Special Groups issues are mainstreamed within the Municipal Business.

### Achievements

- Launched the Youth, career exhibition on the 20<sup>th</sup> March 2012, with 1500 participants
- Facilitated Learnership on plumbing for 20 youth in conjunction with NYDA and MRTT
- Launched Tertiary Assistance Programme for 16 learners

### Challenges

- Insufficient staff (unfilled posts).
- Insufficient budget allocation for special groups and sufficient resources

### Recommendations

- All vacant posts to be filled to accelerate service delivery for Special Groups.
- Nominate Councillors within the Portfolio to be responsible for each special focus.

### Youth Development

Nkomazi Youth Policy, National youth policy and integrated youth development frame work serves as a guiding tool for the implementation of youth development programmes covering the entire Nkomazi Sub-Region

### Youth Summit/Career Expo

The Municipality has hosted an annual youth summit in partnership with Department of Public Services. NYDA, SEDA

Government Departments and Parastatals were invited to present opportunities and funding for youth development initiatives. The main aim is to disseminate information and also capacitate young people to take informed decision about their future prospects.

### Career Exhibition

The municipality hosted an annual career EXPO targeting most rural youth and schools. The project was organised by the Municipality in conjunction with the DPSA in March 2012, the Department of Education as a partner and other government departments, universities, FET's and other institutions of higher learning exhibit about career opportunities requirements, for academic entrance to universities and bursary opportunities.





## Disabled Person

To mainstream issues of disabled persons and advocating

for them the municipality has assisted different groups to participate in Premier's Disability Awards 2011.

The following candidates won in the achiever awards

### **MPUMALANGA PROVINCE WINNERS FOR THE MPUMALANGA PREMIER'S DISABILITY ACHIEVER AWARDS 2011 NKOMAZI LOCAL MUNICIPALITY**

Name of the nominee	Type of nomination	Category	Contact number	District
Bukhosibethu Primary School	Group	Best School in Inclusive Education	072 628 0352	Ehlanzeni
Silindokuhle Special School	Group	Best Rehabilitation/Institution	073 064 3579	Ehlanzeni
Steven Magagula Stimulation Centre	Group	Best Protective Workshop	072 164 8173	Ehlanzeni
Sibongile Vilane	Individual	Best Learner with Disability		Ehlanzeni
Lwazi Mahlangu	Individual	Best Learner with Disability	072 323 0967	Ehlanzeni
Eunice Mathenjwa	Individual	Best Woman with Disability	079 456 2496	Ehlanzeni





## Gender mainstreaming

The objective is to mainstream issues of gender with regard to violence and abuse. The Municipality has managed to host the 16 Days of Violence against women and Children in the month of November 2011 together with SABC, and TSB at Mzinti Community Hall.

Food parcels were distributed to needy people.



**Men's Indaba was successful** hosted in the month of July to conduct dialogues at Mzinti Hall.



## Once off Registration Fund

The Nkomazi Municipality has invited matriculants from disadvantaged background to apply for a once-off tertiary registration fee for students who wanted to further their studies during the 2011/12 financial year. The application forms were available at Malalane Civic Center. In 2012, Sixteen Learners were assisted with the once off registration fee.

## Conditions of Consideration were:

1. Only South African Citizens eligible to apply
2. Preference is on first year undergraduate / first diploma / Critical Skills
3. Financial Support is for Registration Only
4. Need to fill-in the application form with supporting documents.



Below is the list of students who benefitted from the programme according to the field of study and institution

NAME OF STUDENT	NAME OF COURSE	NAME OF INSTITUTION
Mashaba Kateko Happy	Diploma Tourism	Tshwane University of Technology
Siwela Vusi Boys	Diploma Surveying	Tshwane University of Technology
Fundama Sicelo Esau	B. Occupational Therapy	UKZN West Ville
Mthembu Nokuthula Faithful	Tourism Management	TUT(Nelspruit)
Shakwane Banele	National Diploma in Radiography	Central University
Shabangu Livi Dudly	Mechanical	WITS
Nkosi Sicelo Musa	Human Resources Diploma	Central University
Shabangu Nontokozo Given		DUT
Bila Norman	Chemical Engineering	CPUT
Bhila Comfort Ngwashiawane	Cost and Management Accounting	Durban University of Technology
Siwela Siboniso Mandla	Town and Regional Planning	University of JHB
Maphanga Yolanda Cebile	Bachelor of Arts	Limpopo University
Shongwe Zinhle Charity	BCOM Accounting	University of Venda
Mamba Mbongeni Bester	Electrical Engineering	DUT
Bhila Benedicta	Mining Engineering	University of JHB
Silinda Princes Pearl	BA: Law	University of Pretoria



## Human Resource Division

### Mandate

Chapter 2, section 7 of the constitution, 1996, establishes the Bill of rights as the cornerstone of democracy in South Africa and affirms the democratic values of human dignity, equality and freedom. The municipality, as a sphere of Government, is required to respect, protect, promote and fulfill these rights which include human resources. Responsibilities of Human Resource

- Labour relations
- Occupational Health and Safety
- Skills development
- Recruitment and selection
- Wellness
- Human resource management
- Human resource planning
- Organisational structuring

### Achievements

- Task implementation only one of few municipality who could manage to implement the new Task system
- Organogram under review
- Filling of most critical posts (no consultants)
- HR received 100% mark on IDP review
- Achieved Best skills development for the second year in a row
- Wellness program for all officials and councillors has been established
- Managed to establish safety committees

- Regular personnel meetings were held
- Active labour forum
- Various policies developed and adopted
- PAY DAY implementation (human resource component)

### Challenges

- Not enough qualified training providers
- Municipality does not have an integrated computer system-communication therefore very difficult
- More than 90% of management less than 5 years municipal experience
- Age profile young inexperienced workforce
- Nkomazi is a rural area and it is not easy to access qualified, experienced people
- Lack of funding
- Lack of office space
- AIDS has a substantial impact on workforce

### Performance Management

- The Local Government: Municipal Systems Act no 32 of 2000 place the responsibility of establishing a performance management system to the Executive Mayor.
- The Act also allows the Executive Mayor to delegate the powers of establishing the PMS to

the Municipal Manager as the Head of administration

### PMS Policy framework

- Performance Management System Policy / Framework was adopted by Council on the 26 May 2010 (Council Resolution No. NKM: GCM: A039/2010), this was the first review since 2006. Currently the performance management system is implemented to section 56 managers but the municipality intends to cascade to all employees in the near future.

### Performance Management Model

- The Nkomazi Local Municipality has adopted the Balanced Scorecard as its performance management model. The Balanced scorecard fully integrates with the IDP as the IDP provides the basic framework of performance expectations.
- It is a proven tool that creates synergy and enables alignment of priorities and coherent reporting. The municipality has challenges with issues of IDP and SDBIP alignment. However the municipality has taken an initiative in trying to resolve the challenges.

## **Performance agreement 2011/2012**

Nkomazi Local Municipality section 56/57 managers have entered into Performance Agreement with the municipality for the financial year 2011/12. This is in line with the MSA of 2000 and performance regulations. Performance Agreements for 2011/2012 adopted by council on the 29 June 2011 (Council Resolution NO.NKM: S-GCM: A056/2011).

### **Performance reviews Cycle**

#### **The performance intervals are supposed to be as follows:**

- 1<sup>st</sup> quarter (September) – performance reviews
- 2<sup>nd</sup> quarter (December) – performance reviews (assessment)
- 3<sup>rd</sup> quarter (March) – performance reviews

- 4<sup>th</sup> quarter (June) – performance reviews (assessment)
- The performance information (quarterly reports) is audited quarterly by the audit committee.

NB! The assessments were not conducted due to the fact that four out of the five section 56 managers including the Accounting officer (Municipal Manager) were on an acting capacity.

### **Cascading PMS to all staff**

- The Performance Management System covers only the section 56 managers. The municipality has a plan to cascade the PMS to all levels in the municipality with assistance from SALGA.

### **Achievements**

- Service Delivery and Budget Implementation Plan for financial year 2011/2012 submitted.
- The section 56/57 managers signed performance contracts for 2011/2012

- Performance reports for each department are submitted on a quarterly basis.

### **Challenges**

- lack of understanding on performance information in both staff and councillors
- Lack of proper quarterly reporting and late submission of reports.
- Assessment of section 56 Managers was not performed
- Shortage of staff in the PMS unit

### **Recommendations**

- A PMS awareness be conducted both on councillors and officials and PMS task team program be compiled for the functionality of the performance management in the municipality
- PMS co-ordinator will be appointed in the next financial year(2012/2013)
- A schedule of deadlines for reporting will be formulated and communicated

## EQUITY STRUCTURE

The following table provides staffing information

The equity structure within the Municipality as at 30/06/2012:

EMPLOYEES GENDER DESCRIPTION					TOTAL	PERCENTAGE
Total Male					696	71.75
Total Female					274	28.25
Disabled					6	0.61
EQUITY					TOTAL	PERCENTAGE
Total Black Male					685	70.61
Total White Male					11	1.13
Total Coloured Male					0	0
Total Indian Male					0	0
Total Black Female					264	27.21
Total White Female					10	1.03
Total Coloured Female					0	0
Total Indian Female					0	0
Total Black					949	97.83
Total White					21	2.16
Total Coloured					0	0
Total Indian					0	0
TOP MANAGEMENT: section 56 GENDER DESCRIPTION					TOTAL	PERCENTAGE
Total Male					4	66.67
Total Female					2	33.33
MANAGEMENT DESCRIPTION	TASK	LEVEL	17-13	GENDER	TOTAL	PERCENTAGE
Black Male					38	79.16
White Male					4	8.33
Coloured Male					0	0
Indian Male					0	0
Black Female					6	12.50
White Female					0	0
Coloured Female					0	0
Indian Female					0	0
MANAGEMENT TASK LEVEL 12-9 GENDER DESCRIPTION					TOTAL	PERCENTAGE
Black Male					43	47.77
White Male					8	8.88
Coloured Male					0	0
Indian Male					0	0
Black Female					30	33.33
White Female					9	10
Coloured Female					0	0
Indian Female					0.0	0
EMPLOYEES TASK LEVEL 8-1 GENDER DESCRIPTION					TOTAL	PERCENTAGE
Black Male					595	71.51
White Male					0	0
Coloured Male					0	0
Indian Male					0	0
Black Female					237	28.49
White Female					0	0
Coloured Female					0	0
Indian Female					0	0
TOTAL EMPLOYEES (Including Temp./Contract Workers)					970	



# BUDGET AND TREASURY DEPARTMENT

This is the annual report to indicate the performance of the Budget and Treasury Department for the financial year 2011/12.

## STRATEGIC PLAN

The strategic goal of the Budget and Treasury Department is to ensure the financial viability of the municipality by effectively managing the financial resources and assets of the municipality. This includes revenue management and enhancement as well as debtor management. The management of acquisitions of the municipality and the safeguarding and monitoring of assets are also entrusted to the department. The municipality's complete financial viability is ensured by providing support to other departments.

## SERVICE DELIVERY BUDGET AND IMPLEMENTATION PLAN 2011/12

KEY PERFORMANCE AREA  
(KPA's)

1. BASIC SERVICE  
DELIVERY, PUBLIC  
PARTICIPATION & GOOD  
GOVERNANCE

1.1. Financial Management

2. MUNICIPAL  
FINANCIAL  
VIABILITY &  
MANAGEMENT
- 2.2 Revenue  
Management
3. MUNICIPAL EFFICIENCY  
& PRODUCTIVITY
- 3.2 Financial Accounting
- 3.3 Supply Chain  
Management
4. INSTITUTIONAL  
DEVELOPMENT &  
TRANSFORMATION
- 4.2 Staff Management

## PERFORMANCE

### KPAs: BASIC SERVICE DELIVERY, PUBLIC PARTICIPATION & GOOD GOVERNANCE

#### Financial Management

##### Achievements

- The Time Schedule of key deadlines and Budget & Treasury Steering Committee Meetings were tabled and adopted by Council
- Revenue projections for next 3 years for all departments tabled to Council and approved
- All budget related policies reviewed approved by Council

- Budget document prepared and consolidated and were made available to the Budget & Treasury Steering Committee
- The 3 year draft budget adopted by Council, advertised and made available for public comment as prescribed by the MFMA
- Consultation meetings conducted with the community
- The Adjustment budget adopted by Council
- Final 2011/12 Budget was approved by Council in June
- Annual Financial Statements submitted on time
- Achieved an unqualified audit opinion

### KPA: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT

#### Revenue Management

##### Achievements

- An average of 83% collection rate on rates and taxes
- All objections and appeals to the valuation roll were dealt with to the satisfaction of the complainants
- R6.5 million decrease in the debtors book

- The indigent register compiled
- Financial Reports submitted and approved by Council
- Tariff fees reviewed and approved
- Reviewed and implemented the Municipal Property Rates Policy approved by Council
- Reviewed Indigent policy approved by Council
- A total of 48 tenders were awarded.

### **Challenges**

- e-Venus financial system not optimally used due to lack of training
- The implementation of the Revenue Enhancement Programme as it is not the function of the department alone
- No bad debts were written off this financial year
- Debtors Data not cleansed as it forms part of the Revenue Enhancement Programme which was not yet implemented
- Larger population stays in the communal land **where they don't have** title deeds therefore there must be a speeding up of the land tenure upgrade application for other areas that have potential of revenue collection so that

property rates can be implemented in rural areas

- Determination of rates/tariffs on communal land where there is potential revenue collection has been difficult but a nominal rate will be charged in areas where there is potential revenue collection. Speeding up of the land tenure upgrade for these areas will assist
- The supplementary valuation roll compiled and implemented

### **KPA: MUNICIPAL EFFECIENCY & PRODUCTIVITY**

#### **Financial Accounting Achievements**

- Monthly reports submitted to all relevant stakeholders, Provincial and National Treasury
- Compliance to GRAP maintained
- Monthly Financial Reporting, Cash Flow and Staff Benefits reports done
- Bank statement reconciled on a monthly basis
- Annual Cash Flow document prepared and approved together with the budget and revised during the budget process

- Reviewed and implemented the Credit Control and Debt Collection Policy
- Bad debts collected with the assistance of debt collectors and attorney which lead to the R6.5 million decrease in debtors
- Fleet management fully implemented

### **Challenges**

- High cost of attorney fees in collection of debt owed to the municipality
- System not fully used due to lack of training

### **Supply Chain**

#### **Achievements**

- Supplier Database updated and available
- Deviations have decreased
- Database policy developed, approved and implemented
- Tenders are evaluated /Adjudicated on continuous basis and reported to Council
- The Reviewed Supply Chain Management Policy was submitted and approved by Council
- Assets to be disposed were identified
- GRAP compliant Fixed Asset Register including movable and immovable asset register compiled, available and accurate as

it is updated on the acquisition of a new asset

- Asset Management and Disposal Policy reviewed to include maintenance & Impairment
- GRAP compliant Inventory Policy approved
- Infrastructure asset register converted to comply with GRAP and updated
- Asset Management Plan developed and implemented

### **Challenges**

- Rotation of suppliers for procurement of goods done manually
- No automated inventory management system in place as manual stock cards are used
- The ineffective disposal committee which has led to assets not being disposed
- Shortage of staff

### **KPA: INSTITUTIONAL DEVELOPMENT & TRANSFORMATION**

#### **Staff management**

- Critical vacant posts advertised
- 5 interns contract extended as part of compliance to National Treasury
- Chief Financial Officer post filled



# INFRASTRUCTURE DEVELOPMENT DEPARTMENT



## Departmental Overview

The Infrastructure Development Department comprises of four Sub-Directorates (each with numerous sections), namely:

- *Water and Sanitation Services;*
- *Roads and Storm-water Services;*
- *Electrical Services; and*
- *Project Management Unit (PMU).*

## KEY PERFORMANCE AREAS

The performance of the Department is measured against the performance areas as identified and approved by Council, namely:

1. Basic Service Delivery
2. Good Governance and public participation
3. Local Economic Development
4. Municipal Financial Viability and Management

5. Municipal Institutional Development and transformation

## KPA 1: BASIC SERVICES

The water and sanitation services section of the department is concerned with the following key development objectives/goals:

- To improve the access to basic services and infrastructure of all households in the municipal area.
- To provide an efficient and effective Water and Sanitation Function.
- Provide all customers with adequate, quality and affordable water in a cost-effective manner.
- Provide sufficient water-borne sewage system for the urban areas and VIP toilets for the rural villages.

- To ensure and facilitate the adequate provision of infrastructure for housing and other development initiatives.
- To facilitate good governance and public participation in all projects to be implemented.

## KPA 2 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The roads and storm-water services section of the department is concerned with the following key development objectives/goals:

- To improve the access to basic services and infrastructure of all households in the municipal area.
- To render an efficient and effective Roads and Storm-water function.
- To ensure adequate provision of infrastructure

for housing and other development initiatives.

### **KPA 3: LOCAL ECONOMIC DEVELOPMENT**

- To manage the repairs and maintenance of all municipal buildings.
- To provide safe and quality roads and storm-water network.
- To facilitate good governance and public participation in all projects to be implemented.

### **KPA 4: FINANCIAL VIABILITY AND MANAGEMENT**

The electrical services section of the department is concerned with the following key development objectives/goals:

- To improve the access to basic services and infrastructure of all households in the municipal area.

- To eliminate electricity bag-locks within the municipal area.
- To prevent break-downs by maintaining networks and infrastructure.
- To replace redundant over-headlines to ensure cost effectiveness, sustainability and safety.

### **KPA5: INSTITUTIONAL DEVELOPMENT**

- To ensure access to power for all before the year 2014.
- To render an efficient and effective electrical service.
- To facilitate the repairs and maintenance of street lights to the required standards.
- To facilitate good governance and public participation in all projects to be implemented.
- To create safe and sustainable electrical infrastructure.

### **KPA 6: MUNICIPAL EFFECIENCY AND PRODUCTIVITY:**

The PMU section of the department is concerned with the following key development objectives/goals:

- To render an efficient and effective Project Management Unit.
- To manage its financial affairs through project management
- To facilitate good governance and public participation in all projects to be implemented.

The 2011/2012 MIG allocation was R112, 208,000.07. This report sets out to show the level of usage and implementation of the MIG funds in the year 2011/2012 and also to show the impact of the funding on the community as the beneficiaries.

## **PROJECT MANAGEMENT UNIT**

The 2011/2012 MIG allocation was R112, 208,000.07. This report sets out to show the level of usage and implementation of the MIG funds in the year 2011/2012 and also to show the impact of the funding on the community as the beneficiaries.

## **Introdution**

This report aims at summarizing the utilization of the 2011/12 Municipal Infrastructure Grant (MIG) funding to the Nkomazi Local Municipality. The objective of the MIG funding is to expedite service delivery to Municipalities that have backlogs in order to reach the stated Millennium Development Goals. The 2011/2012 MIG allocation was R112,208,000.07 This report sets out to show the level of usage and implementation of the MIG funds in the year 2011/2012 and also to show the impact of the funding on the community as the beneficiaries.



## Background

Since the establishment of the PMU section in mid-2007, the MIG expenditure showed marked and tremendous improvement in Nkomazi Local Municipality. The table below shows the MIG expenditure performance in the last 4 years.

	2008/09	2009/2010	2010/2011	2011/2012
MIG Budget	R64,136,000	R78,280,000	R91,482,,000	R112,208,000.07
Expenditure	R64,136,000 (100%)	R78,280,000 (100%)	R91,482,000 (100%)	R112,208,000.07 100%



## Progress to date

The progress on Project implementation is summarized below. Projects completion was affected in some instances by lack of capacity of service providers but the PMU addressed these challenges in order to complete the projects. Projects were implemented within the MIG framework. Consulting engineers were used for the design and supervision of the projects, and only CIDB registered Contractors were used in the construction process and the Municipality's PMU monitored the service providers during implementation.

The projects had local community involvement in the following manner:

- A Community Liaison Officer (CLO) was employed and involved in all projects
- The Councillors for the particular area were actively involved in the Project Steering Committee and were represented at meetings by the CLO
- Local labour was employed for project implementation

## Expenditure Details

The Table below shows the monthly expenditure from July 2011 to July 2012. Expenditure on PMU salaries, and office equipment was also taken from the MIG allocation.

### Monthly MIG Expenditure

Month	Total Monthly Payments
July 2011	R0
August 2011	R9,383,453.35
September 2011	R28,535,697.98
October 2011	R8,735,564.00
November 2011	R21,274,239.58
January 2012	R8,970,056.59
February 2012	R6,690,220.42
March 2012	R5,791,230.55
April 2012	R3,690,165.90
May 2012	R2,924,397.60
June 2012	R0
July 2012	R 8,835,025.52
<b>PMU Operational costs (2,7%) included on the June 2012 Monthly expenditure</b>	<b>R 3,899,629.00</b>
<b>TOTAL</b>	<b>R 112,208,000.07 (by July 2012) 100%</b>

**NB: The 100% expenditure of the MIG allocation was reached by 31 July 2011.**

The roll-over of R3, 478,319.51 was requested from National Treasury to be retained. The following schedules show the extracts from the 2011/12 PMU Business Plan and the actual expenditure and status of projects executed in the 2011/12 financial year. The expenditure shown and the physical progress is the actual current progress as at 31<sup>st</sup> July 2012.



# EXTRACT FROM 2011/2012 PMU BUSINESS PLAN

Project Title	2011/2012	2012/2013	2013/2014	Remarks
<b>Mbuzini Bulk Water Supply Scheme Augmentation:</b> Khombaso Reservoir + Pumping Station Pipeline Khombaso Pumping station to Thambokhulu Thambokhulu Reservoir + Pumping Station Thambokhulu Pump Line to Mbuzini (Ndindindi Reservoir)	20,000,000	41,189,960.73		Multi-year Project
Masibekela Water Treatment Works Phase 2	10,000,000	6,574,204.14	37,757,832.91	Multi-year Project
Hoyi Reservoir	3,984,310	4,215,690		
Steenbok water reticulation		3,500,000		
Tonga WTW Phase 1B	20,000,000	23,430,000		Multi-year Project
Construction of phiva, vlakbult elevated tank and sikhwahlane elevated tank/ sectional steel reservoir & bulk mains		3,776,020		
Mafambisa Water Reticulation	5,300,000			
Upgrading of masibekela bulk water supply pipeline phase 2(replacement of AC pipe)			16,000,000	
Mzinti bulk water supply upgrade			10,000,000	
Shongwe hospital bulk water supply upgrade (Replacement of AC pipe)			8,656,096	
Steenbok Water Reticulation	3,000,000			
Tonga C Bus Route Phase 2	2,000,000			
Nyathi Bus Route	8,200,000			
Ntunda Bus Route	9,500,000			
Magogeni Bus Route	5,119,708			
Schulzendal Bus Route	4,940,000			
Langeloo ring road Bus Route	3,000,000			
KaMaqhekeza (Abdul Section) Bus Route	2,500,000			
<b>Old Sanitation Project :</b>	5,000,000	5,000,000	7,500,000	Multi year
<b>New Sanitation Project:</b>	5,000,000	5,000,000	7,500,000	Multi year
Schoemansdal Community Hall	2,580,784			
Kruger National Park projects (upgrading of Skukuza/lower Sabie water purification plant and crocodile bridge)		3,598,450		
Phosaville/phosaville EXT 2 water reticulation		6,480,524.13		
Mbuzini reticulation			1,500,000	
Ntunda reticulation+ bulk		3,000,000		
Hoyi water reticulation		4,305,000		
Eastgate (kamhlushwa) bus route phase 2			6,000,000	
MB to Taxi rank bus route			7,500,000	



(kamhlushwa)				
Langeloo bus route phase 2		9,988,115		
Mafambisa bus route			6,000,000	
Driekoppies bus route			6,527,883.09	
Upgrading of kamaqhekeza stadium		5,473,032		
Dludluma community hall		4,761,412		
Kamaqhekeza/steenbok solid waste disposal site phase 2		5,867,694		
Jeppes reef community hall			5,000,000	
<b>MIG Allocation Less PMU Costs (2, 7%)</b>	<b>112,208,000.07</b>	<b>136,116,000</b>	<b>143,586,000</b>	<b>MIG Allocation Less PMU Costs (2, 7%)</b>



Name of the project	Project Description	Capacity	Approved Budget	Cumulative Expenditure R	Physical progress (July 2012)	Remarks
Mbuzini Bulk Water Supply Scheme Augmentation	New reservoirs, pumping station and bulk water pipelines	2*3mℓ reservoirs + 1 mℓ reservoir 12 km rising main pipelines	61,933,300	22,609,591.00	Phase1 complete  Phase 2 <b>(20%)</b>	Multi-year project
Sibange Bulk Water Supply	Upgrading of abstraction point and raw water pump		3,000,000	2,408,699.32	Completed	
Tonga WTW Phase 1B	Increase the capacity of the existing treatment plant	8Ml/day	51,000,000	21,735,913.29	Construction in progress <b>(80%)</b>	Multi-year project
Mafambisa Water Reticulation Phase 2	Installation of water reticulation network	110/75mmØ about 15km networks	13,000,000	4,497,555.89	Completed	Multi-year project
Mbekisburg Water Reticulation	Installation of water reticulation network	110/75mmØ about 15km networks	3,580,129.24	3,274,512.54	Completed	
Mangweni Water Reticulation Tonga D Water Reticulation	Installation of water reticulation network and refurbishment of old reservoir	110/75mmØ pipes and 1Ml reservoir	5,244,128.00	4,389,223.95	Completed	
Steenbok Water Reticulation	Installation of water reticulation network	110/75mmØ about 5km networks	1,500,000	1,367,721	Completed	
Tonga C bus route Phase 2	Surfacing of 2,2km gravel bus road and storm water drainage system		6,000,000	6,863,130.00	Completed	Roll-over project



Nyathi Bus Route	Surfacing of 4,2km gravel bus road and storm water drainage system		4,000,000	12,303,854.65	Complete	Multi-year project
Ntunda Bus Route	Surfacing of 3,5km gravel bus road and storm water drainage system		4,750,000	8,874,731.45	Completed	Multi-year project
Magogeni Bus Route	Surfacing of 5,0km gravel bus road and storm water drainage system		9,500,000	10,900,289.83	Completed	Roll-over project
Schulzendal Bus Route	Surfacing of 4,0km gravel bus road and storm water drainage system		4,000,000	10,588,886.49	Completed	Multi-year project
KaMhlushwa (Eastgate) Bus Route	Surfacing of 1,5km gravel bus road and storm water drainage system		4,000,000	4,524,717.85	Completed	Roll-over project
KaMaqhekeza (Abdul Section ) Bus Route	Surfacing of 1,8km gravel bus road and storm water drainage system		4,000,000	3,202,455.73	Completed	Roll-over project
Old Sanitation Project: Mbangwane, Tsambokhulu, Khombaso, Mananga, Mandulo and Dlunduma	Construction of vip Toilets	500 units	5,000,000	5,186,664.88	Completed	
New Sanitation Project: Bongani, Shiyalongubo, Ericsville, Middleplaas, Sikhwahlane, Dunusa, and Mzinti	Construction of vip Toilets	500 units	5,000,000	4,666,723.92	Contractor fail to complete the project	Roll-over project

Schoemansdal Community Hall	Construction of Community hall	1 100m <sup>2</sup>	8,322,118.08	10,237,795.03	complete	Multi-year project
Masibekela WTW	New Water Treatment Works	<b>7m<sup>3</sup>/day</b>	33,085,137	31,880,910.06	Completed	Roll-over project
Masibekela/Hoyi Link Pipeline	Rising mainline from Masibekela treatment works	5km * 500mm Diameter pipeline	17,100,000	10,263,200.27	Completed	Roll-over project



## Monitoring

- Technical Monitoring for quality and performance to specifications was carried out by the Consulting Engineer who had been employed to manage the specific project. The Municipality however attended progress review meetings to ensure that the project was on track and performance was according to agreement by all service providers.
- Financial monitoring was carried out through expenditure tracking of Payment Certificates. Any indications of extra funding requirements would be picked up while the project was still on going in order to arrest any major variations.
- The PMU facilitated the progress of construction by recommending the sub –contracting of certain phases of the project where the main contractor clearly showed lack of technical expertise. This was done in order to save the project from complete failure.

## Results & Benefits

The Municipality has a data collection section which enters all the data related to specific projects. The broad outcomes and outputs as defined in the IDP document are:

Priority Issue	Objective	Measure		Target	Date
		Output	Outcome		
Water Infrastructure	Provide adequate, affordable water in a cost effective manner	Consumers provided	Consumers with access	80% of households	30 June 2012
		Consumers paying	Revenue collected	100% of households	
Sanitation	Provide waterborne sewer for urban and VIP for rural	Households connected	Households with Access	100% of households	30 June 2013
		Households with VIP toilets	Households with Access	80% of households	
Roads & storm water	Provide safe and quality roads and Storm water Network	Kilometres tarred/ upgraded with Storm water Drains	Improved mobility And safe roads	80% of households	30 June 2012
		Kilometres of access streets with storm water drains	Improved mobility and safe roads in settlements	90 % of all routes within settlements	30 June 2012
Water Infrastructure	Provide adequate, affordable water in a cost effective manner	Consumers provided	Consumers with access	80% of households	30 June 2012
		Consumers paying	Revenue collected	100% of households	
Sanitation	Provide waterborne sewer for urban and VIP for rural	Households connected	Households with Access	100% of households	30 June 2012
		Households with VIP toilets	Households with Access	80% of households	
Roads & storm water	Provide safe and quality roads and Storm water Network	Kilometres tarred/ upgraded with Storm water Drains	Improved mobility And safe roads	80% of households	30 June 2012
		Kilometres of access streets with storm water drains	Improved mobility and safe roads in settlements	90 % of all routes within settlements	30 June 2012



An Annual Review of the IDP is carried out with a view to continuously address new challenges that may have arisen and also to review the current position. A Comprehensive Infrastructure Plan (CIP) document has been completed and the Municipality intends to approach the infrastructure mindful of the CIP document.



## Conclusion

The major success of the program is that the strategic issues identified in the Nkomazi Local Municipality IDP are being tackled. The way and direction has been set and the provision of service is improving. Past constraints of delays have been overcome through forward planning and commitments. However the issue of maintenance of the installed infrastructure shall now form a

new focus area. The Municipality also intends to address the issue of sustainability of the water infrastructure through the engagement of a service provider who shall ensure compliance with the by-laws of the Municipality.

## Lessons Learnt and Recommendations

The implementation of the MIG projects on time requires

continuous funding from MIG. The backlogs are still huge and require substantial financial commitments to be overcome.

The recommendations are that the programme be fully supported by MIG as it is indeed making significant impact in the provision of infrastructure services. However more focus shall now be made on Operation and Maintenance of the infrastructure to ensure sustainability.

## SECTION- C: BACK-LOGS AND CHALLENGES WITHIN THE NKOMAZI MUNICIPAL AREA

Services	Population	Backlog
Water	±5947 (Households)	± R135,979,026
Sanitation	±41575 (Households)	± R279,211,764
Roads	±1252 kms	± R3,174,084,507
Electricity	±5046 (Households)	± R72,662,400

**The following challenges have been identified as critical:**

- Illegal connections from the bulk water supply has been identified as a major course to the supply of water
- Same to Electrification, there are huge illegal connections which are of no proper Control to Communities
- The suspension of water for all flagship project has also caused serious concerns to Communities because there

was hope that water will be available at least 18hrs per day, the creation of unfinished infrastructure through water for all flagship project which is unfinished and the leftover of trenches which are creating donga has caused problems.

- The area which is significant to be attended to is the Technical Capacity of personnel especially on the senior positions and plant operators
- Insufficient resources to upgrade our road, electrical and water infrastructure

**Envisaged strategy:**

Since the council has requested to implement a management contract for the proper supply of water services to enhance service delivery and revenue management. This will assist the municipality to create its capital investment through revenue services and it will lead to focus on every household to pay for services in the next three to five years to provide for insufficient resources.





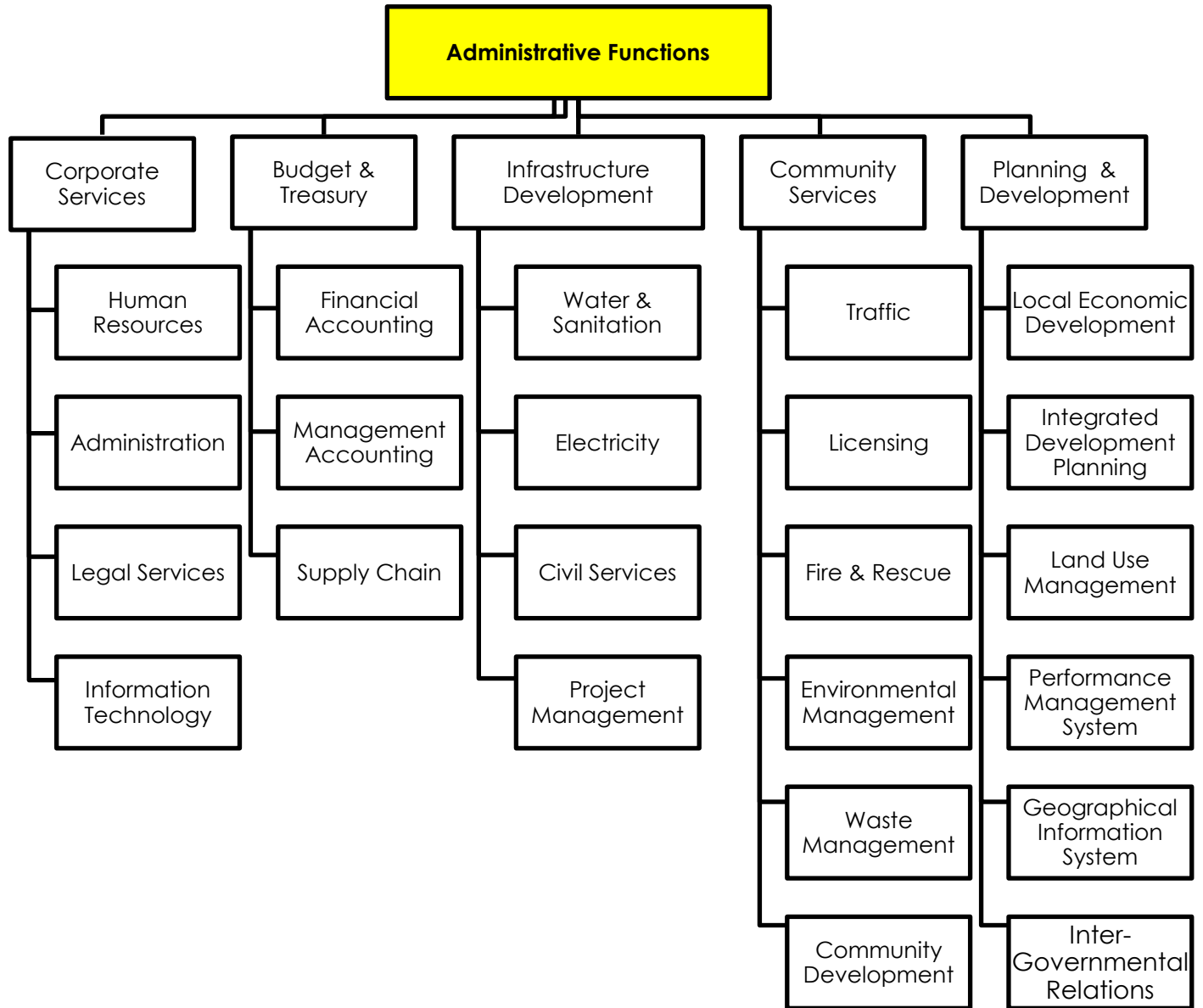
# CHAPTER 3

## Human Resources and other Organisational Management

- o Organisational Structure
- o Human Resources Profile
- o Staffing Information
- o Skills Development Programme
- o Disclosures
- o Occupational Health & Safety
- o Employee Assistance Programme



A macro Organisational structure which displays the departments and functions is as follows:



## Administration

The administration of the municipality is headed by the Municipal Manager. The Municipality has five administrative departments, each being headed by a section 56 Manager. In addition the Operational Manager within the Office of the Municipal Manager is responsible for the efficient and effective operation of all departments.

### Office of the Municipal Manager

The Office of the Municipal Manager consists of the following functions: Internal Audit; Communications and Risk Management.

### Internal Audit –

Responsibilities include the provision of internal audit services to the Municipality. The section also facilitates external audit services required by the Municipality.

### Communications –

Responsibilities include the coordination of corporate communications, events, general marketing and maintenance of the **municipality's profile**. This section also acts as the vehicle for the realization of intergovernmental and corporate governance structures and events.

### Risk Management -

Responsibilities include the development of **municipality's vision for risk management** and risk

management

implementation plan. This section also communicates **the municipality's risk framework** to all stakeholders in the institution and monitoring its implementation. It also assists management with risk identification, assessment and developing of response strategies and reports the risk register to the Accounting Officer, Management and Risk Management Committee. Also participates with Internal Audit, Management and Auditor-General in the development of combined assurance plan for the municipality.

## Human Resources Profile

The following table provides staffing information

Table: Employment equity statistics																
	Region Demographics	Nkomazi-Overall														
		Top Management			Senior Management			Middle Management			Junior Management			General Workers		
Level		0-1			2-3			4-6			7-12			13-18		
Nos. of Off.		?														
		Exist	Ideal	diff	Exist	Ideal	diff	Exist	Ideal	diff	Exist	Ideal	diff	Exist	Ideal	diff
African Males		3			23	13	10	60	50	10	119	95	24	480	300	180
African Females			1	1	2	12	10	47	50	3	75	95	20	140	300	160
Coloured Males																
Coloured Females																
Indian Males																
Indian Females																
White Males					3	1	2	4	9	5	2	6	4		10	10
White Females			1	1		2	2	7	9	2	5	5	0		10	10
Other Males																
Other females																
<b>Total</b>		<b>3</b>				<b>28</b>		<b>118</b>			<b>201</b>			<b>620</b>		

Legend:

-Exist: Number of officials currently occupying the post(s)

-Ideal: Number of officials that should have been employed by the municipality

-Diff: Shortfall

## Staffing Information

The following table provides staffing information. The Municipality currently (as at June 2012) has 970 Permanent members employed, with 9 vacant posts as illustrated in the following table:

Table: Approved Posts		
Function	No. of Staff	No. of Vacancies
Municipal Manager	10	0
Corporate Services	54	2
Planning and Development	30	1
Budget and Treasury	54	2
Community Services	210	3
Infrastructure Development	603	1
<b>Total</b>	<b>970</b>	<b>9</b>

The following policies and by-laws were developed and in certain cases reviewed during 2011/2012 financial year and some have not been approved by Council:

- HR Strategy
- HR Standard
- Operational procedures

The following are the medical aid schemes in operation in the Municipality:

- Bonitas
- Hosmed
- La health
- Key health
- SAMWU med

The following are pension fund schemes in existence in the Municipality:

- Municipal Council Pension Fund (MCPF)
- Municipal Gratuity Fund (MGF)
- Municipal Employees Pension fund

## Skills Development Programme

A total of 993 Employees received training in the 2011/2012 financial year at a cost of R1603000

## Minimum Competency levels for Senior Management

The Municipal Finance Management Act, Section 83, 107 and 119 prescribe that the Accounting Officer, Senior Managers, the Chief Financial Officer and other financial officials of the municipality must meet the financial management competency levels prescribed by regulations. National Treasury issued regulations on Minimum Competency levels on 15 June 2007. The regulations prescribe the minimum competency levels for the following categories of employees:

- Accounting Officers of municipalities and municipal entities;
- Chief Financial Officers of municipalities and municipal entities;
- Senior Managers of municipalities and municipal entities;

- Other Financial Officials of municipalities and municipal entities; and
- Supply Chain Management Officials of municipalities and municipal entities;

The regulations further requires each municipality to report in its Annual Report consolidated information in respect of progress made in the attainment of minimum competency levels by the above mentioned categories of employees.

The report on progress made as at 30 June 2012 is provided in the table below in a format provided by the National treasury.

**Column A** – gives the total number of officials employed in the categories mentioned above.

**Column B** – gives the total number of officials employed by the municipal entity if applicable and such officials being in the categories mentioned above.

**Column C** – gives the total number of employees covered in column A and B

**Column D** – gives the total number of employees that have undergone competency assessment.



**Column E** – gives the total number of officials whose performance contracts for the year ended 30 June 2012 indicated the attainment of these

competency levels as a performance target.

meet the minimum competency levels.

**Column F** - gives the total number of officials that

Minimum Competency Levels for Senior Management						
	A	B	C	D	E	F
	Total number of officials employed by municipality (regulation 14(4)(a) and (c))	Total number of officials employed by municipal entities (Regulation 14(a) and (c))	Consolidated Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
<b>FINANCIAL OFFICIAL</b>						
Accounting Officer	1		1			
Chief Financial Officer	1		1			
Senior Manager	3		3		1	
Any other financial officials	23		23		5	4
<b>Supply Chain Management Officials</b>						
Head of supply chain management unit	0					
Supply chain management managers	3		3	1	1	1
<b>Total</b>	<b>31</b>	<b>0</b>	<b>31</b>	<b>1</b>	<b>7</b>	<b>5</b>

## Annual Report - Employee Wellness Programme

### BACK GROUND

It is a programme that is under Human Resources Department as a sub-programme for Occupational Health and Safety for promoting and supporting employee's health and wellness in the work place also for those

employees who are faced any kind of problems.

### PURPOSE

In **Employees life**, it is increasing safety, improve morale; problem solving it is also creating health awareness.

On the **Organisation** it increases productivity, reduce costs (absenteeism, whereby other employees sick at home for a long period but get paid, etc).

### PROGRAMMES

Number of Wellness Awareness Meetings per

quarter was conducted in order to inform employees about this programme and how are they going to be assisted since it is new in Nkomazi Municipality. Site visits to remind employees about it. Distribute posters in various departments for wellness issues, emailing wellness articles to employees and the messages to every Employee that reminds them about this programme.

Employees received counselling according to the problem that is presenting with, for example employees who were facing bereavement – were referred for emotional support to the psychologists, employees who were traumatised e.g. robbed at work was referred for counselling including Accidents happened also in relationships including

family members (spouse, children)

One on one interview was made on the employees who were taken more sick days .Employees who are terminally sick at home were visited for the support, reported to Human Resources for Medical unfit. Employees who are on medication, their supervisors were advised to allow them for that certain day. Employees who are HIV affected are advised during awareness's to go and get medical fit since it is voluntarily to get tested.

Financial matters, employees were coached to deal with finances, also about the budgeting. Those who were garnished were advised on how to deal with garnishee orders.

Employees done their eye testing as part of their health and wellness.

## CHALLENGES

Other Departments do not report employees who need Assistance, they tend to back up others when they are not coming to work or either they terminally sick at home for a long time. On HIV/AIDS some people are still on denial of coming out and admit that is why the statistic is a bit higher because this is still a problem. The office space for confidential information and for employees who are coming to seek for the assistance. EWP does not have a budget even if the employees can engage themselves in sports e.g fun run as part of wellness programme, the will be no water to provide.

## ACHIEVEMENTS/RECOMMENDATIONS

Employees are aware of EWP because the percentage of employees who are accessing EWP has increased. Planning to:

Invite Medial Clinics for check-up, financial advisors for employees to get financial assistance. Invite

HIV/Aids counsellors to do counselling and testing and also to give information to employees. Also do

wellness day in order to assist in promoting this programme within the University.

## **Annual Report – Occupational Health and Safety**

**In the financial year of 2011/2012, Occupational Health and Safety has managed to empower employees to take priority in their own safety and their workplace surroundings**

### **ACHIEVEMENTS SAFETY AUDITS**

A total 16 safety audits have been conducted and reports were compiled for various workplaces including offices, water purification plants and standby quarters. The safety audits serve to indicate key areas that can have detrimental effects to the health and

safety of workers occupying the workplace; the reports were forwarded to the relevant heads of departments. The outlined areas need to be rectified to increase the level of compliance to safety standards, and the rectifications were mostly cost effective.

### **SAFETY COMMITTEES**

A new safety committee has been established making the total of safety committees to be five.

The new safety committee has been established to improve the effectiveness of recommendations from all the other safety committees. The safety

committee is made up of all the Directors, managers, labour representatives and the MMC Corporate Services. So far there meetings that were held have been fruitful and effective.

### **SAFETY REPRESENTATIVES**

The term of the previous safety representatives has expired, therefore new safety representatives need to be elected. These new safety representatives will serve for the next two financial years. The elections are already in process, whereby the employees elect individuals in their respective workplaces to

represent them in safety committees.

### **CHALLENGES**

#### **INJURIES ON DUTY**

There has been an increase in injuries on duty, whereby in the previously 3 injuries on

duty were reported and in 2011/2010, 12 injuries on duty have been reported and one of them being serious. Amongst these injuries 6 of them were a result of vehicle accidents which occurred during the Festive and Easter season. Which is a clear

indication that road safety training and awareness is critical for all the municipal drivers. All the injuries have been reported to the Department of Labour and Compensation Commissioner.



## TRAINING AND SKILLS DEVELOPMENT



Through the process of job assessment and skills development the following interventions were provided. Twenty Three trainings were conducted as from July 2011-June 2012:

NAME OF TRAINING	PEOPLE ATTENDED	SERVICE PROVIDER
Municipal Finance Management	5 Interns	DELOITTE
Local Government Accounting Certificate	7 Officials	LGSETA
Education Training and Development	1 official	LGSETA
Municipal Governance	4 Officials, 17 Councilors and MM	University of Johannesburg
CPMD	2 Officials	University of Johannesburg
Waste Management	60 Employees	Shando ka ndaba Enterprise
Local Government Accounting Certificates	7 Officials	LGSETA
IDP	1 Official and 12 Councilors	COGTA
Marketing Certificate	6 Officials	LGSETA/SALGA



Electrical Engineering	1 Temporal Employee	DBSA
LGRC Training	19 Officials and 26 Councilors	DBSA
Conflict Management	40 Officials	Clere Consulting
IT	1 Official	
Emergency Services: Fire and Rescue	20 Unemployed Learners	Umbuso Training
Electrical Distribution	30 Employees	Lekopane Centre of Excellence
Bid Avaluation and Bid Adjudication Training	10 Officials	Ehlanzeni District
LED	2 Officials	LGSETA
Motor Vehicles Examinors Training (F and L )	4 Officials	City of Tshwane Metropolitan Municipality
Applied Population Sciences Training and Research	2 Officials	University of KZN
Finance Councilors Induction Programme	MMC FINANCE AND EXECUTIVE MAYOR	SALGA
Human Settlement	33 Ward Councilors	Ehlanzeni District
Roadworks	40 Employees	Tovani Training
Plumbing	65 Employees	SchoolBoy Trade and Training



## DETAILED STAFF COMPLEMENT (Filled Post and Vacant Post)

DETAILS	TOTAL STAFF	FIELD POST	VACANT POST	CONTRACTS
OFFICE OF THE MM	10	10	0	0
BUDGET AND TREASURY	54	50	2	3
CORPORATE SERVICES	63	60	2	6
INFRASTRUCTURE DEVELOPMENT	603	602	1	11
PLANNING AND DEVELOPMENT	30	29	1	1
COMMUNITY SERVICES	210	207	3	17
<b>TOTAL</b>	<b>970</b>	<b>958</b>	<b>9</b>	<b>38</b>

# Disclosure Concerning Councillors and Senior Management

In terms of Section 124 of the Municipal Finance Management Act, the following is disclosed (also in the financial statements):

## Councillors' Remuneration

DETAILS	AMOUNT
<i>EXECUTIVE MAYOR</i>	<i>678,777</i>
<i>SPEAKER</i>	<i>527,118</i>
<i>MAYORAL COMMITTEE</i>	<i>2,503,531</i>
<i>COUNCILLORS</i>	<i>8,272,560</i>
<i>COUNCILLORS' PENSION FUND</i>	<i>1,403,928</i>
<i>MEDICAL AID CONTRIBUTION</i>	<i>3,366,568</i>
<b>TOTAL COUNCILLOR'S REMUNERATIONS</b>	<b>16,752,482</b>

The Executive Mayor, Speaker, Chief Whip and members of the Mayoral Committee are full time and therefore provided with secretariat support and office accommodation.

## Remuneration of Senior Management

DETAILS	MUNICIPAL MANAGER	CFO	INFRASTRUCTUR E DEVELOPMENT	CORPORATE SERVICE	PLANNING AND DEVELOPMENT	COMMUNITY SERVICES
ANNUAL REMUNERATION	349431	114263	82077	43776	393445	384624
PERFORMANCE BONUS (NO BONUSES PAID IN THE YEAR UNDER REVIEW)						
CAR ALLOWANCE	72,924	24000	28000	12000	47000	86201
CONTRIBUTIONS TO UIF, MEDICAL AND PENSION FUNDS	77,648	25396	22962	9760	86621	68336
SALGABC						
ACTING ALLOWANCE	66,638	257169	257169	131517	67013	134441
<b>TOTAL</b>	<b>566, 641</b>	<b>420, 828</b>	<b>390, 208</b>	<b>197, 053</b>	<b>594, 079</b>	<b>673, 602</b>
<b>TOTAL EXCLUDING ACTING ALLOWANCE</b>	<b>500, 003</b>	<b>163, 659</b>	<b>133, 039</b>	<b>65, 536</b>	<b>527, 066</b>	<b>539, 161</b>



## Summary Remuneration of Senior Management

The payment of performance bonus is subjected to an assessment approved by Council.

### **NOTE: NO PERFORMANCE BONUSES HAVE BEEN PAID**

<i>MUNICIPAL MANAGER</i>	<i>35,084.62</i>
<i>ACTING MUNICIPAL MANAGER</i>	<i>66,638</i>
<i>CHIEF FINANCIAL OFFICER</i>	<i>9,437.11</i>
<i>ACTING CHIEF FINANCIAL OFFICER</i>	<i>257, 169</i>
<i>DIRECTOR: INFRASTRUCTURE DEVELOPMENT</i>	<i>8,373.85</i>
<i>ACTING DIRECTOR: INFRASTRUCTURE DEVELOPMENT</i>	<i>257, 169</i>
<i>DIRECTOR: CORPORATE SERVICES</i>	<i>4,253.52</i>
<i>ACTING DIRECTOR: CORPORATE SERVICES</i>	<i>131, 517</i>
<i>DIRECTOR : PLANNING AND DEVELOPMENT</i>	<i>0</i>
<i>ACTING DIRECTOR : PLANNING AND DEVELOPMENT</i>	<i>67, 013</i>
<i>DIRECTOR : COMMUNITY SERVICES</i>	<i>0</i>
<i>ACTING DIRECTOR: COMMUNITY SERVICES</i>	<i>134, 441</i>
<b>TOTAL</b>	<i>971, 096.10</i>

## CHAPTER 4

# Consolidated Annual Financial Statements for the year ended 30 June 2012

**Final Report of the Auditor-General (×)**

**Annual Financial Statements for the year ended 30 June 2012 (✓)**

**Municipal Taxes and Service Charges (✓)**





























































































































































**APPROVED TARIFF CHARGES FOR THE 2010/2011 FINANCIAL YEAR  
ALL CHARGES ARE VAT EXCLUSIVE!!!**

1.1 ASSESSMENT RATES	EXISTING 2010/2011	APPROVED 2011/2012
	TARRIF	TARRIF
Unimproved Residential Stands Marloth Park		.032
Unimproved Residential Stands	0.032	.034
Improved Residential Stands	0.007	.0075
Business	0.015	.016
Agricultural	0.004	.0043
State Owned	0.011	.012
PSI	0.004	.043
Residential- Consolidated or Notarial Tide - 2 stands		20%
-3 stands		30%
-4 stands or more		40%
RDP Houses (Flat rate)		
Entrance Control Levy - improved stands	R35.00	R35.00
Entrance Control Levy - unimproved stands	R15.00	R15.00
<b>1.2 ASSESSMENT RATES REBATE:</b>		
In terms of Section 6 of the Local Government: Municipal Property Rates Act, 2004 (No 6 of 2004) a further remission be granted of pensioners and permanent disable persons on the following conditions:		
<p><b>(i)</b> An applicant shall be the registered owner and the permanent occupier of the property in question, which property is being used as at the date of application for sole purpose of accommodating one dwelling, which dwelling is being used for residential purposes only.</p> <p><b>(ii)</b> Applicants shall be a pensioner of permanent medically disabled person with an income less than R1,200 per month 40% remission and with an income exceeding R1,200 per month but not more than R2,000 per month, 20% remission.</p> <p><b>(iii)</b> The aforementioned detail shall be verified by an affidavit.</p> <p>That notice be given in terms of the Municipal Finance Act Management Act, (No 56 of 2003), to the effect that the assessment rates due on 1 July 2003 shall be payable in twelve equal monthly instalments on or before the due date printed on the face of the account, failing which, interest equal to the prime rate as determined by the South African Reserve Bank per annum, will be charged in terms of section 50A of the Local Government Ordinance (Ordinance 17 of 1939) on amounts in arrear after the fixed day and defaulters are liable to legal proceedings for recovery of such arrear amounts.</p>		
<b>2.1 WATER</b>		
Basic charge	R66.73	R73.41
Water consumption per kl	R3.40	R3.74
Kamhlushwa Residential Yard Connections		
1-6kl R3.29	R3.29	R3.62
6-20kl R4.17	R4.17	R4.59
20-40kl R4.67	R4.67	R5.03
40 + kl R4.88	R4.88	R5.37
Kamhlushwa Stand Pipe		
1-6kl R1.75	R1.75	R1.93
6-20kl R2.46	R2.46	R2.71
20-40kl R2.95	R2.95	R3.25
40 + kl R3.22	R3.22	R3.66
Kamhlushwa Business		
1-20kl R4.46	R4.46	R4.90
20-40kl R5.20	R5.20	R5.72
40 + kl R5.75	R5.75	R6.35
Phosaville R1.50	R1.50	R1.65
<b>2.2 MARLOTH PARK</b>		
Basic Charge	R16.65 per month	R18.32
<b>3 ELECTRICITY</b>		
Basic charge Residential	R45.05 per month	R49.56
Energy charge Residential kWh	R0.70	R0.84
Basic charge Business < 70 Amp (single phase)	R150.77 per month	R165.95
Energy charge Business < 70 Amp (single phase)	R0.69	R0.83
179Basic charge Business < 150 Amp (three phase)	R179.99 per month	R197.99
Energy charge Business <150 Amp (three phase)	R0.69	R0.83

Basic charge Business > 150 Amp (three phase)	R330.85 per month	R363.94
Demand charge Business > 150 Amp (KVA three phase)	R88.09	R109.23
Energy charge Business > 160 Amp (three phase)	R0.43	R0.52
Domestic Prepay Tariff	R0.85	R1.02
Basic Charge Prepaid	NIL	NIL
<b>4. REFUSE</b>		
Refuse Residential once a week services	R32.81	R36.10
Refuse Residential twice a week services	R66.25	R72.88
Refuse Residential Rural once a week services	R15.85	R17.44
Refuse Business once a week services	R43.78	R48.16
Refuse Business twice a week services	R96.25	R105.88
Business - (one container)	R92.86	R102.15
- 1.75cubic meters (20 containers)	R1857.34	R2043.08
- 2.5cubic meters (29 containers)	R2325.86	R2558.45
Public Institutions Schools/Clinics	R87.03	R95.74
Clearing Grass and Bushes on Open Stands	R662.93	R729.23
Clearing of General Waste on Open Stands	R466.30	R512.93
Removal of Building Rubble	R466.30	R512.93
Removal of Garden Refuse	R264.05	R290.46
Cutting of Large Trees	R264.05	R290.46
<b>5. SEWERAGE</b>	<b>EXISTING 2010/2011</b>	<b>APPROVED 2011/2012</b>
Sewerage Fixed charge (1 <sup>st</sup> 2 points)	R107.06 per month	R117.76
Sewerage (Additional Points) per point	R40.28 per month	R44.31
Available charge – Empty stands	R53.00 per month	R58.30
<b>Sewerage charge M'hlatikop per kl</b>	R2.12	R2.34
Sewerage Fixed charge (1 <sup>st</sup> 2 points)Hectorspruit	R48.76	R53.64
Sewerage (Additional points) Hectorspruit per point	R24.17 per month	R26.59
Chemical Toilet per day	R662.93	R729.23
Septic Tank Drainage	R264.58/cubic meter	R291.04
<b>6. BUILDING PLAN FEES</b>	<b>R5.35/m<sup>2</sup>(min R420.00)</b>	<b>R5.89/m(min R462.00)</b>
<b>7. PAVEMENT DEPOSIT</b>	R561.40	R617.54
<b>8. TOWN PLANNING TARIFFS:</b>		
Application in accordance with Section 6 (1) of the division of Land, Ordinance 1986 (Ordinance No. 20 of 1986) – Division of farm portion	R1505.26	R1655.79
Application in accordance with Section 57 (1)(b) of the Town Planning and Township Ordinance, 1986 (Ordinance No.15 of 1986) – <b>Reasons for Municipality's decision</b>	R252.63	R277.90
Application in accordance with Section 56 (1)(a) of the Town Planning and Townships Ordinance, 1986 (Ordinance No.15 of 1986) – Amendment scheme/rezoning	R1876.32	R2063.96
Application in accordance with Section 96 (2)(b) of the Town Planning and Townships Ordinance, 1986 (Ordinance No.15 of 1986) – Townships Establishment Applications	R4382.46	R4820.71
Application in accordance with Section 96 (4)(a) of the Town Planning and Townships Ordinance, 1986 (Ordinance No.15 of 1986) – Amendment of a Township Establishment <b>i)</b> If already approved by Municipality <b>ii)</b> If not already approved by Municipality	R4382.46 R1876.32	R4820.71 R2063.96
Application in accordance with Section 92 (1)(a) of the Town Planning and Townships Ordinance, 1986 (Ordinance No.15 of 1986) – Sub –division: <b>i)</b> For first five (x5) erven <b>ii)</b> Six (x6) plus erven	376.32 151.58/erf	R413.96 R166.74/erf

Application in accordance with Section 92 (1)(b) of the Town Planning and Townships Ordinance, 1986 (Ordinance No.15 of 1986) – Consolidation	252.63	R277.79
Application in accordance with Section 125 of the Town Planning and Townships Ordinance, 1986 (Ordinance No. 15 of 1986) – Amendment Scheme on Township Establishment Application: i) 1 to 100 erven ii) 101 to 200 erven iii) 201 to 500 erven 501 to 1000 erven	3129.83 3752.63 4382.46 5000.00	R3442.60 R4127.90 R4820.71 R5500.00
Hearing and inspection fees in accordance with Annexure 17 of Regulation 41 B©, of the Town Planning and Townships Ordinance 1986 (0.15 of 1986)	R617.54	R679.30
Application for special utilization rights (In terms of the Town Planning Schemes in operation, as well as the urban settlement areas) (consent use)	R1235.97	R1359.57
Issuing of Certificates	R63.16	R69.50
<b>9. SUNDRY TARIFFS:</b>		
1. Reason for Council's decision 2. Building relaxations Fees 3. General information (written) 4. Building Inspections: Swimming pools 5. Sub Division of Stand – service contribution (civil)	798.25 R629.83 R14.04 per letter R118.42 R5955.26	R878.08 R692.82 R14.91 per letter R130.27 R6550.79
<b>10. ESTATES &amp; BUILDINGS: RENTAL:</b>		
<b>10.1 MARLOTH PARK</b>		
i) Chalets per night		
Non Property Owners	R293.86	R322.80
Property Owner	R256.14	R281.76
Persons 60+ (public & school holidays excluded)	R178.07	R195.62
ii) Rondavels per night	EXISTING 2010/2011	APPROVED 2011/2012
Non Property Owner	R247.37	R272.80
Property Owner	R202.63	R222.80
Persons 60+ (public & school holidays excluded)	R157.90	R173.69
iii) Caravan Sites		
Non Property Owner	R98.25	R108.78
Property Owner	R84.21	R92.64
Persons 60+ (public & school holidays excluded)	R62.28	R92.99
iv) Entrance Fees		
Henk van Rooyen Park		
Property Owner	Free	Free
Non Property Owner	R39.47 per person	R43.86 per person
Rental Recreation Centre		R100.00 p/day
Lionspruit		
Non Property Owner	R48.24 per vehicle	R52.63 per vehicle
Safari Game Vehicles	R148.24 per vehicle	R163.15 per vehicle
Season Tickets - Property Owner (1 <sup>st</sup> ticket)	Free	Free
- Property Owner 2 <sup>nd</sup> ticket)	R236.84	R260.53
- Non Property Owner	R842.98	R927.19
Deposit	R225.44	R247.37
Rental – Private per day	R561.40	R617.54
- Church Services per day	R122.00	R134.21
<b>10.3 STADIUMS</b>		

Deposit	R561.40	R617.54
Rental – per day	R1122.81	R1235.08
Churches	R450.00	R495.61
<b>10.4 CEMETERIES</b>		
<b>10.4.1 URBAN</b>		
<u>Burial Fees:</u>		
Within jurisdiction - Adults	R561.40	R600.88
Nl. (Kaapmuiden) - Children	R392.98	R421.05
(Malelane & Hectorspruit) - Internment in one grave – additional	R112.29	R120.18
Outside jurisdiction - Adults	R674.56	R721.05
- Children	R449.54	R479.83
Enlargement of Grave	R112.28	R120.18
<u>Reserving Graves:</u>		
Per grave per person resident in jurisdiction at time of decease	R280.70	R300.88
Per grave per person NOT resident in jurisdiction at time of decease	R504.39	R539.47
Per niche	R168.42	R179.83
<u>Wall of Remembrance:</u>		
Per single niche, per single emplacement	R280.70	R300.88
Per Double niche, per double emplacement	R504.39	R539.47
<u>Memorial Stones:</u>		
Consent for erection of memorial stone	R112.28	R120.18
Re-opening of Graves	R280.70	R300.88
<b>10.4.2 RURAL</b>		
<u>Burial Fees:</u>		
In jurisdiction - Adults	R89.47	R96.49
Nl. (Kamhlushwa) - Children	R39.47	R42.98
- Internment in one grave – additional	R28.07	R30.70
Outside jurisdiction - Adults	R112.28	R120.18
- Children	R67.54	R72.81
Enlargement of Grave	R28.07	R30.70
<u>Reserving Graves:</u>		
Per grave per person resident in jurisdiction at time of decease	R280.70	R300.88
Per grave per person NOT resident in jurisdiction at time of decease	R504.39	R539.47
<u>Memorial Stones:</u>		
Consent for erection of memorial stone	R78.95	R84.21
<u>Wall of Remembering:</u>		
Per single niche	R280.70	R300.88
Re-opening of Graves	R280.70	R300.88
<b>11. HAWKER FEES:</b>	<b>EXISTING 2010/2011</b>	<b>APPROVED 2011/2012</b>
Rent of Site Fee (per month)	R17.54	R19.30
License Application Fee	R61.40	R67.54
Hawker License (per annum)	R134.21	R147.64
Taxi Rank Fees (per annum)		R220.00
<b>12. BANNERS, POSTERS &amp; ADVERTISEMENT</b>		
Deposit: Posters (excluding elections)	R561.40	R617.54
Deposit: Posters in a elections	R842.11	R926.33
Deposit: For each banner	R561.40	R617.54
Application Fee for Public Display of Advertisement Boards	R338.60	R372.46
Public Display of Advertisement Boards smaller than 6 m <sup>2</sup>	R842.11	R926.33
Public display of Advertisement Boards bigger than 6 m <sup>2</sup>	R2247.37	R2472.11
Advertisement on Municipal Statements	R250.00 pm.	R275.00pm.
Display of Billboards	R5618.42p/annum	R6180.27p/annum
Illuminated Signs		R100.00 p/m

Temporary Signs		R100.00 per sign
Street Name Advertising Structures		R926.33
Loose Standing Signs		R926.33
Street Light Poles (N4)		R7 200.00 per annum
Advertisement on Municipal Trucks	R3369.30 per annum	R3706.23 per annum
Poundage Fee		R100-00 per day
Furnishing of information and issuing of Certificates:		
Application of Safety Certificate	R56.14	R61.76
Issuing of Safety certificate	R112.28	R123.51
<b>13. LIBRARY:</b>		
Membership Fees: Adult per year	R50.88	R55.26
Membership Fees: Children under 18 years, pensioner & students	R21.93	R24.56
Penalties: Books per week	R2.19	R2.41
Special Demand	R5.70	R6.27
Visitor's Deposit	R135.97	R149.58
<b>14. FEE GENERAL CLEANSING:</b>		
i) Removal of building rubbish	R250 per m	R275.00 per m
ii) Removal of gardening rubbish	R65.79 per m	R72.37 PER M
iii) Cleaning of Stand	R250.00 per m	R275.00 per m
<b>15. FURNISHING OF INFORMATION AND ISSUING OF CERTIFICATES</b>		
Clearance Certificates/clearance Cost Schedule/Duplicate/extension	R50.00	R54.39
Valuation Certificates	R39.47	R43.42
Search Fees	R39.47	R43.42
Photocopies: - A4-size	R2.19	R2.41
- A3-size	R3.51	R3.87
Colour copies - A4	R3.07	R3.38
Internet Fees: - 20 Min	R 8.78	R9.66
- 30 Min	R13.16	R14.48
- 1 Hour	R26.32	R28.96
- 5 Hours	R87.72	R96.50
Tender documents	R250.00	R570.18
Faxes per page	R3.95	R4.35
Cheque Refer to Drawer	R135.97	R149.57
Copy of Voter Roll	R3.07 per page	R3.38 per page
Copies of Valuation Roll	R3.07 per page	R3.38 per page
Electronic Copy of Valuation Roll	R785.09	R863.60
<b>16. CONNECTION FEES</b>		
<b>16.1 WATER</b>		
Nkomazi	R1631.58	R1794.74
25mm	R1877.19	R2064.91
Testing of Water Meter	R168.42	R185.27
Supply and Installation of meter		Actual cost +15% larger than 25mm
Changes in installation		Actual cost + 15%
Civil Service Contribution	R6179.83	R6797.82
<b>16.2 ELECTRICITY</b>		
Nkomazi - single phase	R2864.04	R3150.45
- 3 phase	R4776.32	R5253.96
- single phase pre-paid	R1013.16	R1114.48
- 3 phase pre-paid	R2473.68	R2719.95
Temporary Connection	R225.44	R247.99
Connection due to non payment	R171.05	R188.16
Call out - Nkomazi	R225.44	R247.99
Tampering with meter	R3596.49 plus legal cost	R3956.14 plus legal cost
Use of fire hydrant	R280.70 plus labour	R308.77 plus labour
Testing		Actual cost + 15%
Supply and Installation of meter box		Actual cost + 15%
Changes in installation		Actual cost + 15%

Service contribution (civil)	R2192.98	R2412.28
<b>17. CLINIC FEES</b>		
Health Certificate	R236.84 per certificate	R260.53 per certificate
Water Test Result - Bacterial	R293.86	R323.25
- Chemical	R592.99	R652.24
<b>18. BUSINESS FEES</b>		
Business License per annum	R337.72	R371.50
Application of Business License	R135.97	R149.57
Other Chargeable Properties: RDP HOUSES	R17.54	R19.30
<b>19. BULK SERVICE CONTRIBUTIONS</b>		
Residential 1 – Per residential unit		R34 440.00
Residential 2 – Per residential unit		R24 360.00
Residential 3 – Per 100m <sup>2</sup> floor area		R20 790.00
Second dwellings – Per application		R22 260.00
Offices – Per 100m <sup>2</sup> building floor area		R19 320.00
Hotels & Hostels - Per 100m <sup>2</sup> building floor area		R15 330.00
Doctors & Dentists- Per 100m <sup>2</sup> building floor area		R18 743.00
<b>Schools &amp; Creches:</b>		
Buildings – Per 100m <sup>2</sup> building floor area		R 10 920.00
Size of the Stand- per ha		R157 500.00
Dry Industrial – Per 100m <sup>2</sup> of building floor area		R 18 900.00
Wet Industrial – Per 100m <sup>2</sup> of building floor area		R 50 925.00
<b>Clubs &amp; Sport Facilities:</b>		
Buildings – Per 100m <sup>2</sup> of building floor area		R 8 610.00
Size of the Stand – per ha		R157 500.00
<b>Sport Stadiums:</b>		
Buildings – Per 100m <sup>2</sup> of building floor area		R 15 960.00
Size of the Stand – per ha		R157 500.00
Warehouses – Per 100m <sup>2</sup> of building floor area		R 4 830.00
Parks – per ha		R157 500.00
Laundries– Per 100m <sup>2</sup> of building floor area		R 24 990.00
Butchery– Per 100m <sup>2</sup> of building floor area		R27 143.00
Hairdressers– Per 100m <sup>2</sup> of building floor area		R37 643.00
Panel Beaters– Per 100m <sup>2</sup> of building floor area		R19 425.00
<b>Nursery:</b>		
Buildings – Per 100m <sup>2</sup> of building floor area		R9 030.00
Size of the Stand – per ha		R157 500.00
Hospitals - Per 100m <sup>2</sup> of building floor area		R39 690.00
Restaurants – Per 100m <sup>2</sup> of building floor area		R26 040.00
Other commercial, excl. shopping centres – per 100m <sup>2</sup> floor area		R18 060.00
Institutional – per 100m <sup>2</sup> building floor area		R25 043.00
<b>Agricultural holding:</b>		
Buildings – per Residential Unit		R18 690.00
Size of the stand – per ha		R26 250.00
Laboratories – per 100m <sup>2</sup> of building floor area		R17 693.00
Bus Depots – Per Bus facility		R19 845.00
<b>Other Developments:</b>		
Water Services – per kl AADD		R10 500.00
Sewer Services – per kl AWWF		R10 500.00
Electrical Services – Per KVA		R1 365.00
Roads & Stormwater – Sum		
<b>LINK SERVICE CONTRIBUTIONS:</b>		
To be Determined per Application		
<b>20. ROADS:</b>		
Grader	R450-00 p/h	R482.00 p/h
TLB	R250-00 p/h	R275.00 p/h
High up		R200.00

# CHAPTER 5

## Functional Area

Planning and Development Department  
Infrastructure Development Department  
Community Services Department  
Budget and Treasury Department  
Corporate Services Department

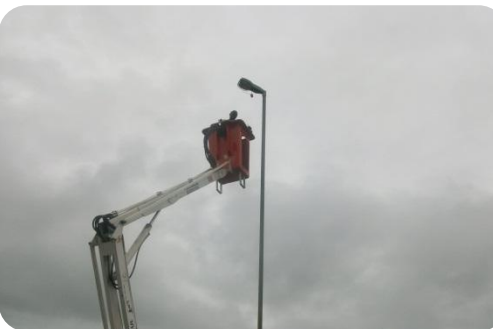
### Budget

Kindly note that the departmental activities were not budgeted for per their planned output.

However the total operating budget for the 2011/12 financial year was **R445, 821,000**

The total capital budget for the year was **R174, 764, 000**

**Total Budget for the 2011/2012 financial year was R620, 585, 000**





## PLANNING AND DEVELOPMENT DEPARTMENT

Objective	Indicator	Priority Area	Annual Target (2011/12)	Actual performance	Reasons for non-achievement	Plans to address non-achievement	Responsibility
<b>KPA 1: BASIC SERVICE DELIVERY</b>							
Provision of secure tenure through township establishment/formalization Block C	Release of state land finalised	Land use Management	100%	80%	Delay in the release of state land	Rolled over to 2012/13 financial year	Land Use Planning
Provision of secure tenure through township establishment/formalization Pholane	Transfer of Erven to individual beneficiaries	Land use Management	100%	60%	Awaiting the signing of Land Availability Agreement between the Trust and the municipality	Rolled over to 2012/13 financial year	Land Use Planning
Provision of secure tenure through township establishment/formalization Mjejane	Transfer of Erven to individual beneficiaries	Land use Management	100%	0%	Appointment of Service Providers initially appointed by the registered land owner not finalised	Rolled over to 2012/13 financial year	Land Use Planning
Provision of secure tenure through township establishment/formalization : Mzinti, Langeloo, Phosaville, Driekoppies and Buffelspruit	Finalisation of Townships Establishment	Land use Management	50%	0%	Project co-funded and implemented by EDM	Agreement signed with EDM to complete project with co-funding from EDM	Land Use Planning
Provision of secure tenure through township	Release of state land finalized	Land use Management	100%	0%	Project funded and implemented	Facilitate and Expedite township establishment and	Land Use Planning



Objective	Indicator	Priority Area	Annual Target (2011/12)	Actual performance	Reasons for non-achievement	Plans to address non-achievement	Responsibility
establishment/formalization Kamhlushwa x2					by Department of Human Settlements  Delays in the release of state land	release of state land	
To guide development in Nkomazi	Approved SDF and LUMS	Land use Management	100%	95%	SDF approved. Draft LUMS approved. Include of a Part of the former DMA into the Nkomazi Municipal Area	Roll over project to the 2012/2013 financial year	Land Use Planning
To develop a long term development strategy for Nkomazi	Strategy approved by Council	Land use Management	Strategy adopted and approved	Tender was placed in local media	No surplus funding, project could not proceed	Roll over to 2012/13 financial year	Land Use Planning
<b>KPA: LOCAL ECONOMIC DEVELOPMENT</b>							
Develop a credible LED strategy and implementation plan in order to promote LED in Nkomazi	Credible LED strategy and implementation plan adopted by 31 August 2010	Local economic development	Strategy available for private funding	Strategy finalized			LED and Tourism
Develop an investment policy to draw investment	policy adopted by Council	Local economic development	Policy adopted and implemented	Policy adopted and implemented			LED and Tourism

Objective	Indicator	Priority Area	Annual Target (2011/12)	Actual performance	Reasons for non-achievement	Plans to address non-achievement	Responsibility
Support the MDC flagship programme to ensure investment in Nkomazi	Number of enterprises participating in the Komatipoort Info Centre	Local economic development	All available space occupied by private enterprise	No progress made due to project not handed over to Nkomazi	No response from MDC flagship programme and DEDET	Continued follow-up	LED and Tourism
Creation of facilities for hawkers in order to improve facilities for informal trading	Facilities built in Malalane, Komatipoort, N4 intersection	Local economic development	Hawker stalls availed to legal hawkers	Hawker stalls availed to hawkers in Malalane and Komatipoort. Final design of hawker facility at N4/R570 intersection finalized.	No surplus funding, projects could not proceed	Funding obtained in principle. Construction of Hawker stalls to commence in the 2012/2013 financial year	LED and Tourism
Creation of a platform for local crafters to sell their goods	Established crafters/ flea market in close proximity to N4	Local economic development	First phase of flea market established and occupied by traders	Area was cleaned and fenced, lights were installed, and building plans were drawn up. Negotiations to create a walking trail was started with various land owners	No surplus funding, projects could not proceed	Scout for funding	LED and Tourism
To alleviate poverty in Nkomazi	Assist non-functional projects in Nkomazi to become	Local economic development	Mangweni cultural village operational	Mangweni Cultural Village – investigation still on-going to determine	Project in its current form not feasible and sustainable.	LEDF to assist in reviving the project in a feasible manner in the 2012/2013 financial	LED and Tourism

Objective	Indicator	Priority Area	Annual Target (2011/12)	Actual performance	Reasons for non-achievement	Plans to address non-achievement	Responsibility
	functional			the feasibility of the project. Electricity supply to facility was installed.		year	
To create an environment conducive to LED	To provide industrial zoned land for development	Local economic development	Land identified and rezoned	Land availability approved by Council  Rezoning process started, however EIA Assessment outstanding	Lack of funds to undertake EIA	Allocated funding to finalise the establishment of a township on a Portion of Portion 58 of the farm Komatipoort Town lands in 2012/2013 financial year	LED and Tourism
<b>KPA 3: GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>							
To guide development and service delivery through a credible IDP	IDP assessed and approved by council	Integrated development planning	Improved assessment reports	IDP rated as one of top 7 in province			

## INFRASTRUCTURE DEVELOPMENT DEPARTMENT

Organizational strategic objective	Department al Strategic Objectives	Output measure	Baseline	Annual performance target		Annual budget		Output achievement (Yes, No )	Explanation of variance	Recommendation/ remedial strategy and action
				Planned	Actual	Planned	Actual			
KPA 1: BASIC SERVICE DELIVERY										
	Improve access to water services Mbuzini Bulk Water Augmentation (Khombaso Reservoir /Pump station/C onnector pipeline)	4 MI/day Reservoirs	Existin g WTW is 2MI/day	100% constructi on	95% constru ction complet e; outstan ding electrici ty connect ion	18 000 00 0	14 085 58 5.69	Yes		
	Improve access to water services Masibekela WTW Phase 2	7 MI WTW	Existin g WTW is 7 MI	100% constructi on	100% design complet e: Prelimin ary design report, detailed design and tender docume ntation	10 000 00 0	2 793 487. 22	Yes		The construction of Masibekela water treatment works phase 2 re-planned to start after July 2012 (2012/13 yr), the R6,642,723 left re-adjusted to finalise Masibekela water treatment works phase 1 and Masibekela/Hoyi bulk water pipeline

Organizational strategic objective	Department al Strategic Objectives	Output measure	Baseline	Annual performance target		Annual budget		Output achievement (Yes, No )	Explanation of variance	Recommendation/ remedial strategy and action
				Planned	Actual	Planned	Actual			
	Improve access to water services Hhoyi Reservoir /Elevated Tank	2 MI and 300 kl Reservoir /elevated tower	Existin g 1,3 MI/day reserv oir	100% constructi on completed	75% construc tion Complet e. Outstan ding is the roofing of the reservoir . Elevated tank assembl ed & complet e	8 230 80 0	6 684 036. 75	partial	Late appointm ent of a contracto r	Project will improve on the first quarter
	Improve access to water services Tonga Water Treatme nt Works Phase 1B (Phase 2)	8 MI WTW	Existin g 17,4 MI/day WTW	100% completed	75% constru ction:	20 000 00 0	17 272 76 4.61	Partial	Late appointm ent of a contracto r	Project will improve on the first quarter
	Masibeke la link pipe line	Networks (110mm & 75mm diameter pipes)	Masib ekela link pipe line	100% constructi on	100% constru ction	R 5, 000, 000	574 817.3 2	Yes		

Organizational strategic objective	Departmental Strategic Objectives	Output measure	Baseline	Annual performance target		Annual budget		Output achievement (Yes, No )	Explanation of variance	Recommendation/ remedial strategy and action
				Planned	Actual	Planned	Actual			
	Improve access to water services Phiva, Vlakbult (Mdladla) elevated tower, Sikhwahlane sectional steel reservoir /elevated tower	300 kl, 1 200 kl elevated tower/sectional steel reservoir	Existing 1,5 ML/day reservoir in Vlakbult, 1 ML/day reservoir in Ntundaba	100% construction completed	60% Construction, materials on site (elevated tank)	5 179 020	4 178 452.90	Yes		
	Improve access to water services Mafambisa water reticulation Phase 3	10 km Networks (160mm & 75mm diameter pipes)	Existing 18 ML/day reservoir	Complete	Complete	5 500 000	4 998 757.96	Yes		
	Improve access to water services Phosaville/Dunusa Water Reticulation	4 km Networks (160mm & 75mm diameter pipes)	Existing 1,5 ML/day reservoir	100% completed	70% complete	1 695 000	4 178 452.90	no	Delay on the contractor's appointment	Project will improve in the first quarter 2011/2012

Organizational strategic objective	Department al Strategic Objectives	Output measure	Baseline	Annual performance target		Annual budget		Output achievement (Yes, No )	Explanation of variance	Recommendation/ remedial strategy and action
				Planned	Actual	Planned	Actual			
	Improve access to water services Sibange Water Reticulation	4 km Networks (160mm & 75mm diameter pipes)	Existing 1,2 Ml/day reservoir	100% construction	100 % Construction	2 000 000	1 913 659.02	yes		
<b>KPA 1: BASIC SERVICE DELIVERY</b>										
	Improve access to sanitation Old villages Sanitation Project: Vlakbult (Mbangave 50), Phiva 50,Block B (Mashekesheni 50), Block A (Joe Slovo IPCC 50), Driekoppies (Mbede 100), Ntunda 50, Sikhwahlane 50,	500 households	26 842 households estimated sanitation (VIP) backlog	Complete	Complete	5 000 000	5 186 664.88	yes		

Organizational strategic objective	Department al Strategic Objectives	Output measure	Baseline	Annual performance target		Annual budget		Output achievement (Yes, No )	Explanation of variance	Recommendation/ remedial strategy and action
				Planned	Actual	Planned	Actual			
	Madadeni 50 and Sibange 50									
	Improve access to sanitation New villages Sanitation Project: Tonga A 50,Schoe mansadal 50 (Zone 10), Mgobodzi (Phakama 50), Naas (Nhlalaka hle 50), Ngwenye ni 50, Dludluma 50, Schoeman sdal Hospital 50, Tonga C 50, Boschfont ein (Mbangav e 50), Gomora 50	500 households	26 842 house holds estimated sanitation (VIP) backlog	Complete	Comple te	5 000 00 0	4 666 723. 92	yes		



Organizational strategic objective	Department al Strategic Objectives	Output measure	Baseline	Annual performance target		Annual budget		Output achievement (Yes, No )	Explanation of variance	Recommendation/ remedial strategy and action
				Planned	Actual	Planned	Actual			
	Improve access to sanitation Upgrading of Komatipoort Sewerage Works	1 535 households	Existing 1 250 M3/day waste water treatment works	Complete	Complete	3 100 000	3 100 000	yes		
	Provide safe community building Schoemansdal Community Hall	1 100 people chairs (seats)	No community hall in Schoemansdal	Complete	Complete	4 200 000	5 572 025.02	yes		
	Provide safe community building(Dludluma Community Hall)	500 people chairs (seats)	No community hall in Dludluma	100% complete	15 % construction	4 200 000	0	no	Funds were not available	Project will start on the first quarter
	Provide efficient public transport network(Tonga C Bus Route Phase 2)	2,2 km (tarred)	13,150km gravel road network	completed	complete	4 274 788	2 793 487.47	yes		

Organizational strategic objective	Department al Strategic Objectives	Output measure	Baseline	Annual performance target		Annual budget		Output achievement (Yes, No )	Explanation of variance	Recommendation/ remedial strategy and action
				Planned	Actual	Planned	Actual			
KPA 1: BASIC SERVICE DELIVERY										
	Provide efficient public transport network Nyathi Bus Route	5 km (tarred)	13,15 0km gravel road network	completed	complete	8 200 000	2 650 453. 22	Yes		
	Provide efficient public transport network Ntunda Bus Route	3,5 km (tarred)	13,15 0km gravel road network	completed	complete	5 560 000	2 262 991. 09	yes		
	Provide efficient public transport network Magogeni Bus Ring Route	5 km (tarred)	13,15 0km gravel road network	completed	complete	5 119 708	6 588 880. 90	Yes		
	project from 2010/11 Schulzen dal Bus Route	4 km (tarred)	13,15 0km gravel road network	completed	complete	4 940 000	3 709 161. 10	Yes		

Organizational strategic objective	Departmental Strategic Objectives	Output measure	Baseline	Annual performance target		Annual budget		Output achievement (Yes, No )	Explanation of variance	Recommendation/ remedial strategy and action
				Planned	Actual	Planned	Actual			
	Provide efficient public transport network Langeloo p bus route Phase 2	1,8 km (tarred)	13,15 0km gravel road network	100% construction	15% construction	5 000 000	1 756 388. 80	partial	Late appointment of a contractor	Speed up construction in first quarter
<b>KPA 1: BASIC SERVICE DELIVERY</b>										
	Provide efficient public transport network KaMhlus hwa East gate Bus Route	1,8 km (tarred)	13,15 0km gravel road network	completed	complete	1 935 502	2 479 326. 10	Yes		
	Provide efficient public transport network KaMaqhe keza (Abdul Section) Bus Route	1,5 km (tarred)	13,15 0km gravel road network	completed	complete	2 500 000	2 459 926. 70	Yes		
	Provide efficient public	0,9 km (tarred)	13,15 0km gravel	complete	complete	600 000	600 000	yes		

Organizational strategic objective	Departmental Strategic Objectives	Output measure	Baseline	Annual performance target		Annual budget		Output achievement (Yes, No )	Explanation of variance	Recommendation/ remedial strategy and action
				Planned	Actual	Planned	Actual			
	transport network Rehabilitation of Malalane cemetery access road		road network							
	Provide efficient public transport network Upgrading and resealing of roads Komatipoort	2,5 km (tarred)	13,15 0km gravel road network	complete	complete	2 467 376	2 467 376	yes		
	Improve access to electricity Electrification Projects: Nkomazi villages	2 555 households	15 500 households backlog	100% implementation of DOE Electrification projects.	100% construction	19 383 000	19 983 000	yes		
<b>KPA 1: BASIC SERVICE DELIVERY</b>										
	Improve access to basic services	Number of refurbishments	To upgrade and	Refurbish/ upgrade 2 x underground	Redundant and underutilized	1,200,000.00	Total expenditure for the financial	yes	This vote was moved from the	Purchases must be transferred to the correct vote to avoid over expenditure.

Organizational strategic objective	Departmental Strategic Objectives	Output measure	Baseline	Annual performance target		Annual budget		Output achievement (Yes, No )	Explanation of variance	Recommendation/ remedial strategy and action
				Planned	Actual	Planned	Actual			
	in Nkomazi Towns	and upgrades planned and executed	refurbish deteriorating equipment and infrastructure where required.	nd supplies (cable networks) in Nkomazi. Refurbish all transforming and switching equipment	supply cables were replaced. 3 x cable supplies restored. All MV switches inside the Komati poort main substation were repaired and serviced to fully functional status		year: R1,183,714.00 Remaining : R16,285.40		capital budget to the operational budget. The vote number changed from 106030/4101105 to 106030/1200700. The purchases made on the previous vote were not transferred to the new vote.	
	Improve access to basic services	Number of new connections, and	Create infrastructure to	94 single phase, 31 three phase and	Completed all applications	3,367,602.00 250,000.00	Total expenditure for the financial	yes	Vote allocation is not consistent	The vote for New connections must split into two different votes: NEW

Organizational strategic objective	Departmental Strategic Objectives	Output measure	Baseline	Annual performance target		Annual budget		Output achievement (Yes, No )	Explanation of variance	Recommendation/ remedial strategy and action
				Planned	Actual	Planned	Actual			
	in Nkomazi	supply upgrades made	accommodate new development, supply upgrades, commercial, and residential connections according to applications received	18 supply upgrades were received. Pay new ESKOM application	received. ESKOM was paid for 3 new supply upgrades and 2 new connections in Nkomazi. (mostly new boreholes)	moved to Subsistence and Transport vote 106030 / 1502230 Remaining: R3,117,602 .00	year: R3,069,509.00  Remaining : R48,093.00		t and sometimes allocated wrongly due to the unavailability of a capital budget covering all electrical aspects. NO VOTE FOR ESKOM PAYMENTS!	CONNECTIONS MUNICIPAL AND NEW CONNECTIONS ESKOM or to ensure a permanent capital vote for ESKOM payments.
	Improve access to basic services in Nkomazi	Number of repairs, breakdowns and replacement of redundant equipment	Attended to reported incidents (breakdowns and repair	To render fast, effective and professional service to solve all reported incidents.	Fast, effective and professional service to solve all reported	898,027.00	Total expenditure for the financial year: R867,902.91  Remaining	yes	Funds were close to exhausted in the third quarter and therefore no large	Review capital budget as a matter of urgency. Eliminate the drastic variance of funding allocations between the 2010/2011 and 2011/2012 capital budgets. There is no

Organizational strategic objective	Departmental Strategic Objectives	Output measure	Baseline	Annual performance target		Annual budget		Output achievement (Yes, No )	Explanation of variance	Recommendation/ remedial strategy and action
				Planned	Actual	Planned	Actual			
		nt or infrastructure successfully completed.	s) as priority.		incident s were applied		: R30,124.09		purchase s was possible.  Other votes were utilized to cover the expense	consistency in allocations.
	Improve access to basic services in Nkomazi	Number of repairs and upgrades made to substations and mini-substations.	To repair and upgrade all substations in line with the refurbishment program and monthly visual inspections.	6 x mini-substations need extensive repairs to be carried out.  To do quarterly inspections on all substations and to repair and upgrade it accordingly.	3 x mini-substations were repaired and serviced on site. 1 x mini-substation was send for extensive repairs on 14/04 2012. Quarter	520,606.00	Total expenditure for the financial year:  R489,151.17  Remaining : R31,454.83	yes	Payments from the previous financial year were only paid on the current budget.	Payment methods need improvement.

Organizational strategic objective	Department al Strategic Objectives	Output measure	Baseline	Annual performance target		Annual budget		Output achievement (Yes, No )	Explanation of variance	Recommendation/ remedial strategy and action
				Planned	Actual	Planned	Actual			
					ly inspections were carried out					
<b>KPA 1: BASIC SERVICE DELIVERY</b>										
	Provide safe and clean road network	Improve d efficient road network	Grading	750km	750km	O&M	O&M	Yes	None	
	Provide safe and clean road network	Improve d efficient road network	Gravel ling	250KM	250KM	O&M	O&M	Yes	None	
	Provide safe and clean road Network	Improve d efficient road network	Patching potholes	565m³	565m³	O&M	O&M	Yes	None	



## COMMUNITY SERVICES DEPARTMENT

Organizational strategic objective	Department al Strategic Objectives	Output measure	Baseline	Annual performance target		Annual budget		Output achievement (Yes, No )	Explanation of variance	Recommendation / remedial strategy and action
				Planned	Actual	Planned	Actual			
KPA 1: BASIC SERVICE DELIVERY										
Ensure access to quality, sustainable and reliable municipal services in all wards	To promote and facilitate a healthy and safe environment and create an environmentally aware society	Number of households with access to refuse removal and solid waste disposal	20,240 estimated backlog	Reduce backlog by 9,288	Not achieved	5,300,000	R0	No	Evaluation processes delayed the procurement of equipment that will assist on reducing the backlog	
KPA 2: LOCAL ECONOMIC DEVELOPMENT										
Initiate capacity building programs that contribute	To promote a culture of reading, literacy and	% of applications to establish driving schools	100%	100% applications to establish driving	No application received	Not applicable	Not applicable	No	National Government finalising law regarding driving	Application will be received as soon as law is finalized

Organizational strategic objective	Department al Strategic Objectives	Output measure	Baseline	Annual performance target		Annual budget		Output achievement (Yes, No )	Explanation of variance	Recommendation / remedial strategy and action
				Planned	Actual	Planned	Actual			
to the development of employable, educated and skilled citizens	access to information	dealt within the required time frame		schools dealt within required time frame					schools	
		Management of waste for re-use (recycling)	2 people involved	People/companies involved in the recycling project	1 company involved in the recycling project	Not applicable	Not applicable	yes	n/a	n/a
<b>KPA 3: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT</b>										
To reduce dependency on grant transfers(revenue collection/re	To generate income	Amount generated	Licensing (R 7680560)	8680561	R7 207 915.04	Not applicable	Not applicable	No	Few bookings because of holidays.	

Organizational strategic objective	Departmental Strategic Objectives	Output measure	Baseline	Annual performance target		Annual budget		Output achievement (Yes, No )	Explanation of variance	Recommendation / remedial strategy and action
				Planned	Actual	Planned	Actual			
venue enhancement strategy)			Traffic (R789146 )	1.5 M	R1 234 456	Not applicable	Not applicable	No	Delays on payment of fines and discount made on fines	
			Waste management (R3 880176)	4.0411 22	R6 488 5 12.28	Not applicable	Not applicable	Yes	n/a	n/a
			Municipal facilities (R31840.16	7960.0 4	R340 32 1.18	Not applicable	Not applicable	Yes	n/a	n/a
KPA 4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
Effective intergovernmental and stakeholder relations	To promote social cohesion through sports and stakeholder forums	Number of Effective functioning stakeholder forums	MAM, Spots council, Local AIDS Council, Disaster Advisory forum, Transport forum	4 meeting s per stakeholder forum	-Aids Council (14)meeting held  -Sports Council(11) meetings	Not applicable	Not applicable	Yes	Disaster forum did not sit due to lots of disaster incident during this period. Transport	4 meetings per stakeholder forum

Organizational strategic objective	Department al Strategic Objectives	Output measure	Baseline	Annual performance target		Annual budget		Output achievement (Yes, No )	Explanation of variance	Recommendation / remedial strategy and action
				Planned	Actual	Planned	Actual			
					held -transport forum meeting held (2)  -MAM(2) meetings held				Forum did not sit due to lack of funds	
Establish feedback mechanisms in order to ensure responsiveness to communities	To ensure effective fire and Rescue services and manage potential Disasters	Procured Disaster equipment to improve response time from to 30 minutes	45 minutes response time	Respond to all disasters within 30 minutes	45 minutes	R1,010,000	58 555	No	Lack of resources	n/a
Mainstreamed issues of historical special groups and	To support special groups and HIV/AIDS	Reduced percentage of HIV/AIDS infections	Prevention , treatment care and support , support for	Reviewed HIV/AIDS strateg	(HIV/AIDS strategy Adoption by	Not applicable	Not applicable	No	n/a	n/a

Organizational strategic objective	Departmental Strategic Objectives	Output measure	Baseline	Annual performance target		Annual budget		Output achievement (Yes, No )	Explanation of variance	Recommendation / remedial strategy and action
				Planned	Actual	Planned	Actual			
HIV/AIDS into municipal business	through mainstreaming	in Nkomazi	Orphans and Vulnerable Children programmes are in place ( 42,2% HIV Prevalence)	y and adopted by Council	Council Resolution number NKM: GCM B039/2010					
<b>KPA 5: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT</b>										
Strengthen integrated planning and accelerated implementation	To ensure that departmental sector plans are developed /reviewed, implemented and maintained	Number of sector plans reviewed	Outdated HIV/AIDS strategy	Reviewed HIV/AIDS strategy and adopted by Council	(HIV/AIDS strategy Adoption by Council Resolution number NKM: GCM B039/2010	Not applicable	Not applicable	Yes	n/a	n/a

Organizational strategic objective	Department al Strategic Objectives	Output measure	Baseline	Annual performance target		Annual budget		Output achievement (Yes, No )	Explanation of variance	Recommendation / remedial strategy and action
				Planned	Actual	Planned	Actual			
Continuous institutional risk management	To manage department al risks	Number of identified risks as per the risk register	22 high risks as per the risk register were monitored	Monitor all high risks as per the risk register	All high risks monitored as per the risk register	Not applicable	Not applicable			
		Number of meetings	4 Risk Management Committee meetings were held in 2010/2011 financial year	Coordinate 4 risk management committee meetings	4 risk management committee meetings held	Not applicable	Not applicable	Yes	n/a	n/a



## BUDGET AND TREASURY DEPARTMENT

Organizational strategic objective	Departmental Strategic Objectives	Output measure	Baseline	Annual performance target		Annual budget		Output achievement (Yes, No )	Explanation of variance	Recommendation/ remedial strategy and action
				Planned	Actual	Planned	Actual			
KPA 1: BASIC SERVICE DELIVERY										
Ensure access to quality, sustainable and reliable municipal services in all wards to promote the quality of service delivery	To uphold best practices as per treasury regulations and other related acts	%compliance with Treasury regulations and best practices	98% Compliance with best practices and treasury regulations	100% compliance with Treasury regulations and best practices	98% Compliance with best practices and treasury regulations	None	None	Yes	Some deadlines were not met due to system challenges	
Regular investment on infrastructure and productive equipment	To effectively and efficiently manage municipal assets	% current ratio (assettes VS liabilities)	2.65% current ratio	Maintained ration 2%	Ratio maintained	R600,000	215,360.78	Yes	Most of the work done in house, therefore savings were made on the budget	
				Account for each asset on the asset register	each asset on the asset register accounted for	None	None	Yes		

					GPS location of infrastructure assets introduced					
					Monthly reconciliations done					
				Assets monitored and safeguarded	Assets monitored and safeguarded  Additional assets bar-coded and asset register updated	R3,000,000	214,488.48	Yes	Most of the work done in house, therefore savings were made on the budget	
				Review Asset Management Policy	Asset Management Policy reviewed	None	None	Yes		
				Obsolete assets disposed	Obsolete assets not disposed as this is the function of the Asset Disposal Committee -List of assets to be disposed	None	None	No	Asset Disposal Committee which comprises of officials not in the Budget and Treasury Department did not convene	Accounting Officer to instruct the Asset Disposal Committee to convene and make decisions about assets to be disposed.



					available					
<b>KPA 2: LOCAL ECONOMIC DEVELOPMENT</b>										
Initiate capacity building programmes that contribute to the development of employable, educated and skilled citizens	Provide an effective internship programme	Capacitate interns that are employable	5 interns currently on programme	Develop a rotation plan and monitor the implementation thereof	rotation plan developed and implementation of plan monitored	1,250,000	914,609.39	Yes		
Continuous and positive interactions with all key economic anchors and actors	To uphold best practices as per treasury regulations and other related acts	% Compliance to National Treasury regulations	90% compliance to National Treasury regulations	Monitor compliance to regulations	Compliance to regulations monitored through ensuring compliance thereto and attending training hosted by National and Provincial Treasury	None	None	Yes		
		Audit opinion	Qualified audit opinion	Monitoring compliance	Compliance monitored to ensure that audit opinion is improved	None	None	Yes		
Facilitation of job creation and access to business opportunities	To maintain on the job/ in service training programme	Number of interns trained	5 interns currently on programme	Adhere to training programme	Training programme of interns adhered to	None	None	Yes		

	e									
	To ensure effective and efficient stakeholder relations	communication channels with stakeholders	Communication channels maintained	Maintain strong communication channels	Communication channels maintained  Suppliers informed of new terms of payment when they are appointed	None	None	Yes		
<b>KPA 3: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT</b>										
To enhance sound, viable and legal compliant financial management	To ensure financial sustainability and management	%financial obligations on time met	50% financial obligations met	100% financial obligations met	90% of obligations met	None	None	No	System challenges	Improve our efficiency and fill the vacant posts
	To uphold best practices as per treasury norms and standards	Financial reporting	95% compliance	Submit all reports on time as required	Reports submitted on time	None	None	Yes		
Development of annual and medium term outlook on revenue and expenditure plans and targets	To adhere to the budget cash flow management	Expenditure vs budget	Spending not in line with the budget	Ensure spending is according to the cash flow management plan	Spending not in line with cash flow management	None	None	No	Department's overspending on their budget	Cash flow management plan to be reviewed

	plan									
		Decreased deviations	28% deviations	Decrease deviations to 5%	Deviations decreased to 22%	None	None	No	Most of the deviations stem from the use of travel agents for accommodation and from the use of specialized services	Policy has to be amended to make allowance for the special circumstances for accommodation
Reduced dependency on grant transfers	To reduce dependency on grant transfers and actively seek alternative revenue	% increase in revenue	80% collection rate in formalized areas and 10% in village	10% increase in revenue base (formalized areas)	Revenue base not increased in formalized areas	None	None	No	There was no substantial development within towns to allow for the base to be increased	
				2% increase in revenue base (rural areas)	Revenue base not increased in rural areas			No	Collection in rural areas cannot be implemented until the revenue enhancement plan is implemented	

<b>KPA 4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>										
Effective intergovernmental and stakeholder relations	Ensure effective intergovernmental and stakeholder relations	communication channels with stakeholders	Communication channels maintained ( % response time to customer complaints )	Improved communication channels through credit control and debt collection management (response within 7 working days)	Communication channels improved	None	None	Yes	Communication channels improved, however there is still staff shortage in the debt collection section	Employ more staff for the debt collection section
Establish feedback mechanisms in order to ensure responsiveness to communities	To adhere to the municipal service standards	Adhering to municipal standards	Partial adherence to municipal standards	Municipal standards adhered to	Municipal standards adhered to	None	None	Yes		
Mainstreamed issues of historical special	To support special groups and HIV/AIDS through	Number of wellness subcommittee	None	One wellness sub-committee to be	wellness sub-committee to establish	None	None	Yes		

groups and HIV/AIDS into municipal business	mainstreaming			established	hed					
Equal, easy and convenient access for the public to the municipality and its services	To uphold best practices as per treasury regulations and other related acts	100% compliance treasury regulations	80% compliance	100% compliance treasury regulations	98% compliance treasury regulations	None	None	Yes		
Establish effective institutional monitoring and evaluation system	To effectively support institutional monitoring and evaluation system	Provide reports	All reports provides	All report provided timeously	Reports provided timeously	None	None	Yes		
Promote a culture of participatory democracy and integration	To effectively support participatory democracy and integration	Coordinate Budget steering committee meetings	2 meetings	6 meetings for budget coordination	8 budget meetings held for budget coordination	None	None	Yes		
<b>KPA 5: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT</b>										
Strengthen integrated	To ensure that department	Number of Sector plans in	1 sector plans	Review and approve	Revenue Manage	None	None	Yes		

planning and accelerated implementation	al sector plans are developed/reviewed, implemented and maintained	place		d sector plans	ment Project Plan in place					
Established institutional management in centralized Centre	To guide and support all department	Building of municipal office	Decentralized offices	Provide financial support and advice for budget compliance through submitting necessary costing reports	support and advice for budget compliance provided	None	None	Yes		
Established and functional municipal policies and systems as required by law	To guide and support all department	Number of policies reviewed and approved	7 policies reviewed and approved	7 policies to be reviewed and approved	11 budget related policies reviewed and approved	None	None	Yes		

Continuous institutional risk management	To manage departmental risks	Minimized risks	High risks	Strengthen internal controls pertaining to risks	internal controls pertaining to risks strengthened	None	None	Yes		
<b>(SDBIP –PROJECT)</b>										
Revenue enhancement programme	Revenue enhancement plan	Implement the revenue enhancement plan	Approved/ adopted revenue plan by Council 31 August 2011	revenue enhancement plan approved by Council and implemented	revenue enhancement plan approved by Council but not implemented	1,500,000	0	Partial	The revenue enhancement plan not the sole function of the Budget and treasury department, various stakeholders involved	All relevant stakeholders must assist and especially the service providing departments who must ensure the service is rendered in order to enable for collection
	Data collection (3 villages)	Ensure that data in rural areas or villages is of reliable and acceptable standards	Compliance with MPRA by 2011	Collate data from 3 villages, analyze verify and consolidate all the information	Only data for 2 villages is available	1,000,000	0	Partial	Public participation could not be conducted as the revenue enhancement plan has not been rolled out	All relevant stakeholders must assist with the public participation and rolling out of the revenue enhancement plan
	Supplementary valuation roll	Update the existing valuation roll	Credible valuation roll through stakeholders	Existing valuation roll updated	All objections dealt with	3,700,000	474,520	Yes		

			r feedback/ less queries		Supple mentar y valuati on roll compil ed and made availab le to the public  Existin g valuati on roll update d					
	Asset register	Ensure complianc e of asset register to GRAP	GRAP compliant asset register	Maintain ed GRAP complan t asset register	GRAP compli ant asset registe r mainta ined	800,000	0	Yes		
	Professional fees GRAP implementa tion	Comply with GRAP	Clean audit	Monitorin g GRAP adherenc e	GRAP adhere nce maintai ned	600,000	198,502.6 3	Yes		



					through constant monitoring					
Debtors management	Debtors data cleansing	2% decrease on debtors book	SCM process completed	2% decrease to the debtors book	16.3% decrease to the debtors book	1,000,000	1,916,052.8	Yes		
Asset management	Fleet management	Implement a fleet management system	Functionality of the system defined – generate reports	Implement fully functional fleet management system	Fleet management system fully functional with system generated reports	3,000,000	3,127,293.06	Yes		
	Inventory management	Implement the inventory management policy	Functionality of the inventory management system	Implement the inventory management policy	Inventory management policy implemented however its implementation has been	None	None	Partial		

					limited by the absence of an automated inventory management system					
Clean audit	Operation clean audit	Improve the state of audit opinion	Clean audit	Deal with issues raised by AG	Issues raised by AG dealt with	1,500,000	1,799,890.30	Yes		

### Bids awarded for the financial year: 01 July 2011 – 30 June 2012

No.	Tender description	Contractor appointed	Amount (Vat inclusive)	Date appointed	Source of fund
1.	Tender No.29/2011 Supply of a Mayoral car	Union Motors Lowveld	R654 915.28	13/07/2011	Revenue
2.	Tender No.16/2011 Hoyi reservoir and elevated tank	Lubisi KND engineers JV	R987 696.00	28/07/2011	MIG
3.	Tender No.17/2011 PhivaVlakbult(Mdladla) elevated tower, Sikhwahlane sectional steel reservoir/elevated tower, Phosaville/Dunusa water reticulation	Thiko Consulting engineers	R 663 550.91	28/07/2011	MIG
4.	Tender No.19/2011 Mafambisa water reticulation	Nkomazi Business Network	R 4 838 753.37	28/07/2011	MIG
5.	Tender No.26/2011 Proposal for the provision of electrical professional engineering services on Block C – phase 2, Hoyi	Ene Consulting Solution	R 710 790.00	11/08/2011	DOE
	Tender No.18/2011				

6.	Proposal for the provision of banking services for Nkomazi Local Municipality	Absa Bank	-----	11/08/2011	Revenue
7.	Tender No.27/2011 Proposal for the provision of electrical professional engineering services on: Naas – phase 2, Dluhluma	Imisebe Consulting Electrical engineers	R 684 182.40	22/08/2011	DOE
8.	Tender No.28/2011 Proposal for the provision of electrical professional engineering services on: Sibange, Schoemansdal, Phiva – phase 2, Jeppes Reef, Ntunda – phase 2 and Block B – phase 2	Modstry Consulting Engineers	R 765 248.99	22/08/2011	DOE
9.	Tender No.20/2011 Construction of VIP toilets in Vlakbult(Mbangave), Block B(Mashekesheni), Block A(Joe Slovo) and Driekoppies old villages of Nkomazi local Municipality	Valley Junction Trading 245	R 2 088 098.91	07/09/2011	MIG
10.	Tender No.21/2011 Construction of VIP toilets in Phiva, Ntunda, Sikhwahlane, Madadeni and Sibange old villages of Nkomazi Local Municipality	Nkomotabo JV Ndux	R 2 077 210.25	07/09/2011	MIG
11.	Tender No.22/2011 Construction of VIP toilets at Schoemansdal hospital, Schoemansdal Zone 10, Boschfontein(Mbangave), Gomora and Tonga C new villages	Mlobamba road construction	R 2 188 480.00	07/09/2011	MIG
12.	Tender No.23/2011 Construction of VIP toilets in Tonga A5, Mgobodzi(Phakama), Naas(Nhlalakahle), Ngwenyeni and Dluhluma	UmuziWethu Trading JV S'thibela	R 2 195 544.00	07/09/2011	MIG
13.	Tender No.38/2011 Proposal for the provision of water quality monitoring for Nkomazi Local Municipality	Tempe Trading & Projects CC	R 2 017 061.64	13/10/2011	Revenue
14.	Tender No.43/2011 Supply and delivery, installation, testing and commissioning of electrical infrastructure to reticulate 900 households at Ka-Hoyi and Block C	KZK General Trading	R 5 702 280.00	09/11/2011	DOE
15.	Tender No.44/2011 Supply and delivery, installation, testing and commissioning of electrical infrastructure to reticulate 780 households at Naas, Ngwenyeni and Dluhluma	Sibusisiwe Electrical	R 5 755 524.26	09/11/2011	DOE

16.	Tender No.45/2011 Supply, installation and commissioning of 85 households in Sibange, 230 in Schoemansdal, 150 in Phiva phase 2, 60 households in Jeppes Reef, 150 households in Ntunda phase 2 and 200 households in Block B phase 2	Machine & Power and Vuka JV	R 5 767 751.83	09/11/2011	DOE
17.	Tender No.46/2011 Construction of Vlakkbult, Sikhwahlane elevated storage tanks and Phosaville/Dunusa water reticulation	SS Mabuza and Sons Investment	R 6 451 063.92	07/12/2011	MIG
18.	Tender No.47/2011 Construction of Hoyi reservoir	Mashapula Construction Enterprise	R 7 210 235.10	07/12/2011	MIG
19.	Tender No.48/2011 Mbuzini bulk water augmentation scheme phase 2	Gaby Construction	R19 999 775.25	07/12/2011	MIG
20.	Tender No.49/2011 Mbuzini bulk water augmentation scheme phase 2	Bright Idea Projects	R 12 978 957.00	07/12/2011	MIG
21.	Tender No.50/2011 Mbuzini bulk water augmentation scheme phase 2	Takitsi Trading CC	R 8 211 228.48	07/12/2011	MIG
22.	Tender No.42/2011 Upgrading of Langeloo ring roads : Phase 2	Imagagane&Nokwazi and Daughters JV	R11 805 191.04	13/12/2011	MIG
23.	Tender No.51/2011 Construction of Dluhluma community hall	Sakhamuti Women Projects JV KZK General Trading	R4 771 590.33	13/12/2011	MIG



## CORPORATE SERVICES DEPARTMENT

Organizational strategic objective	Department al Strategic Objectives	Output measure	Baseline	Annual performance target		Annual budget		Output achievement (Yes, No )	Explanation of variance	Recommendation/ remedial strategy and action
				Planned	Actual	Planned	Actual			
KPA 1: BASIC SERVICE DELIVERY										
Ensure access to quality, sustainable and reliable municipal services in all wards to promote the quality of service delivery	To promote the quality of service delivery	Number of quarterly, mid-term and annual reports reviewed	4 quarterly reports per department  2 Mid-term reports per department	4 quarterly reports per department  2 Mid-term reports per department	4 quarterly report per department , Midterm report and Annual report submitted	Operational budget	Operational budget	Yes	n/a	n/a

Organizational strategic objective	Department al Strategic Objectives	Output measure	Baseline	Annual performance target		Annual budget		Output achievement (Yes, No )	Explanation of variance	Recommendation/ remedial strategy and action
				Planned	Actual	Planned	Actual			
			1 annual report	1 annual report						
A clean, safe and healthy environment in the municipality	To ensure occupational health, safety and wellness of officials and councillors	Reduction in Number of injuries on duty And overall improvement of wellness in employees	8 audit conducted 4 injuries on duty 2.8% employees using the wellness program	16 audits to be conducted 16 awareness wellness meetings	16 audit meetings 16 awareness wellness meetings conducted	Operational budget	Operational budget	Yes	n/a	n/a
<b>KPA 2: LOCAL ECONOMIC DEVELOPMENT</b>										
Creation of an investor friendly	To ensure development of	Developed Policies	None	4 By-Laws 3 Policies	13 draft by-laws	Operational budget	Operational budget	Yes	Portfolio Committee on	Meeting to be held at the end of August 2012 ,

Organizational strategic objective	Department al Strategic Objectives	Output measure	Baseline	Annual performance target		Annual budget		Output achievement (Yes, No )	Explanation of variance	Recommendation/ remedial strategy and action
				Planned	Actual	Planned	Actual			
environment	policies and by-laws	and by-Laws							corporate services took a decision that before the by-laws are table to the mayoral committee the must be a meeting of all HOD's to strategise on how	after the meeting the by-laws will be approved

Organizational strategic objective	Department al Strategic Objectives	Output measure	Baseline	Annual performance target		Annual budget		Output achievement (Yes, No )	Explanation of variance	Recommendation/ remedial strategy and action
				Planned	Actual	Planned	Actual			
									to enforce and implement the by-laws one are approved	
Facilitation of job creation and access to business opportunities	To provide professional advice and guidance	To empower the community with information on businesses opportunities	None	Economic Empowerment Summit	Not achieved	R80 000	R0	No	Cash flow problem	



Organizational strategic objective	Department al Strategic Objectives	Output measure	Baseline	Annual performance target		Annual budget		Output achievement (Yes, No )	Explanatio n of variance	Recommendation/ remedial strategy and action
				Planned	Actual	Planned	Actual			
KPA 3: MUNICIPAL FINANCIAL VIABILITY AND MANGENENT										
To enhance sound, viable and legal compliant financial management	To effectively and efficiently manage departmen tal budget and expenditur e	100% complia nce with expendi ture based on SDBIP	60% complian ce	100% complian ce	no complian ce on spending ( over expendit ure on votes)	Operati onal budget	Operatio nal budget	No	There are certain votes that exceeded 100%	Directors should have access to the E-venus – (this should be for viewing purposes). This will be used as a budget controlling mechanism
Reduced dependency on grant transfers	To ensure development of the revenue enhancemen t strategy	Develope d revenue enhance ment strategy	None	Approved revenue enhance ment strategy	The revenue enhance ment strategy was approved by council	Not applica ble	Not applicabl e	Yes	n/a	n/a
KPA 4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
Effective intergovernme ntal and	To ensure effective implement	% of council resoluti	60% of resolutio ns	40% impleme ntation	136 council resolutio	Operati onal Budget	Operatio nal Budget	No	Departm ents do not	Action plan be updated regularly

Organizational strategic objective	Departmental Strategic Objectives	Output measure	Baseline	Annual performance target		Annual budget		Output achievement (Yes, No )	Explanation of variance	Recommendation/ remedial strategy and action
				Planned	Actual	Planned	Actual			
stakeholder relations	ation of council resolutions	ons	impleme nted	of council resolution	ns, 88 resolved (65%)				update action plan regularly	
Effective intergovernmental and stakeholder relations	To ensure effective and efficient secretariat service for council	Number of council, Mayoral and Portfolio committee meetings	Meetings held as per itinerary	4 council meetings	14 council meeting	Operational budget	Operational budget	Yes	n/a	n/a
				8 Mayoral Committee meetings per year	13 mayoral Committee meeting	Operational Budget	Operational Budget	Yes	n/a	n/a
				8 Corporate Service Portfolio Committee meetings	7 corporate Services Portfolio committee	Operational budget	Operational budget	No		

Organizational strategic objective	Department al Strategic Objectives	Output measure	Baseline	Annual performance target		Annual budget		Output achievement (Yes, No )	Explanation of variance	Recommendation/ remedial strategy and action
				Planned	Actual	Planned	Actual			
				per year	meetings					
Mainstreamed issues of historical special groups	To promote and advocate issues of special groups	Number of youth meetings and programs implemented	4 programs implemented	4 youth council meetings , 2 programs , 1 awareness campaign	1 program	R286,000	366 600, 250 000 was donated for by Department of Public Service and Administration	No	Cash flow	lobby for more funding
		Number of women meetings and programs implemented	5 programs implemented	4 women council meetings , 2 awareness campaigns	1 meeting and 1 program	R212,500	R54,500	No	Attending other events	Awareness campaign to be conducted on 3 <sup>rd</sup> quarter

Organizational strategic objective	Department al Strategic Objectives	Output measure	Baseline	Annual performance target		Annual budget		Output achievement (Yes, No )	Explanation of variance	Recommendation/ remedial strategy and action
				Planned	Actual	Planned	Actual			
		ented		s, 3 programs and 2 celebratio ns						
		Number of children 's rights meetin gs and progra m implem ented	4 program s	4 NCRSF meetings 3 awarene ss campaig ns, 4progra ms meetings	1 meeting and 1 program	R143,0 00	R32,000	No	Cash flow	lobby for more funding
		Number of disable persons meetin	2 celebrati on and 1 campaig n	1 celebrati on , 2 awarene ss	2 program s	R51,00 0	R19,500	No	Cash flow	lobby for more funding

Organizational strategic objective	Departmental Strategic Objectives	Output measure	Baseline	Annual performance target		Annual budget		Output achievement (Yes, No )	Explanation of variance	Recommendation/ remedial strategy and action
				Planned	Actual	Planned	Actual			
		gs and programs implemented		campaigns, 4 NDPC meetings						
		Number of elderly meetings and programs implemented	1 celebration	1celebration , 1 program and 1 awareness campaign	Mandela Day	R32,500	R0	No	Cash flow problem, received sponsor for the Mandela Day event	lobby for more funding
Establish effective institutional monitoring and evaluation system	Improved, functional, effective, accountable and performance	Number of reviewed reports	Performance Management establish	1 Annual Performance report reviewed	Draft annual Performance Report	Operational budget	Operational budget	No	Late submission of report	Municipal Manager to intervene to the situation

Organizational strategic objective	Departmental Strategic Objectives	Output measure	Baseline	Annual performance target		Annual budget		Output achievement (Yes, No )	Explanation of variance	Recommendation/ remedial strategy and action
				Planned	Actual	Planned	Actual			
	management mechanisms for officials and councilors		ed	4 quarterly assessment reports	1 quarterly review/ assessment					
Promote a culture of participatory democracy and integration	Functional community participation mechanisms and ward committee	Number of ward committees	1.Website 2.Walk-in complaints 3.Ward committee and community meetings 4. News letter 5.	1) 33 ward committees 2) 2 Trainings	33 ward committees re-established, training was conducted at Komatipoort	R160,000	R 45 000	Yes	n/a	n/a

Organizational strategic objective	Departmental Strategic Objectives	Output measure	Baseline	Annual performance target		Annual budget		Output achievement (Yes, No )	Explanation of variance	Recommendation/ remedial strategy and action
				Planned	Actual	Planned	Actual			
			Facebook 6. Mayoral outreach and izimbizo							
		Number of reports per annum	12 reports receive	12 reports to be submitted	Reports not properly submitted	Operational budget	Operational budget	No	Other ward committees failed to meet monthly	Programme to visit the ward committees
<b>KPA 5: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT</b>										
Improved staff skills and development	To ensure sustainable institutional capacity	Number personnel to achieving personnel	Personnel from Task level 12 to section 57	Task level 1 to 11.	PDP achieved to all task level	R500,000	R801 218.05,R62 700 for student financial support	Yes		

Organizational strategic objective	Departmental Strategic Objectives	Output measure	Baseline	Annual performance target		Annual budget		Output achievement (Yes, No )	Explanation of variance	Recommendation/ remedial strategy and action
				Planned	Actual	Planned	Actual			
		development	manager							
		Number of officials, Councillors and unemployed trained	WSP ( Work Place skills plan)	60% of officials and all Councilors to be trained	29.7%( 297 officials trained) , 55 councilors trained and 20 unemployed	R700 000		No	Cash flow problem	
Established institutional management in centralized centre	To ensure harmonious and conducive working environment	Report on the feasibility study	None	Feasibility study completed by 30 September 2011	Feasibility study completed by 30 September 2011		R200 000	Yes	n/a	n/a
Established and functional	to provide profession	Number of	Implementation	Conducting all	All audits were	R100 000	R44 817.	Yes	n/a	n/a



Organizational strategic objective	Department al Strategic Objectives	Output measure	Baseline	Annual performance target		Annual budget		Output achievement (Yes, No )	Explanation of variance	Recommendation/ remedial strategy and action
				Planned	Actual	Planned	Actual			
municipal policies and systems as required by law	al advice and guidance	audits conducted and issued reports	of 2010/2011 internal audit plan	audits in accordance with the approved internal audit plan	conducted according to the approved internal audit plan		72			
		Number of quarterly report issued		4 quarterly reports reported to the municipal manager and the audit committee	4 quarterly report submitted	Operational Budget	Operational Budget	Yes	n/a	n/a
Established and functional	to provide profession	3-year rolling	Approved 3-year	Approval of 3-year	Tabled to Audit	Operational	Operational	No	Incorpor	Approved after the

Organizational strategic objective	Departmental Strategic Objectives	Output measure	Baseline	Annual performance target		Annual budget		Output achievement (Yes, No )	Explanation of variance	Recommendation/ remedial strategy and action
				Planned	Actual	Planned	Actual			
municipal policies and systems as required by law	al advice and guidance	internal audit strategic plan	rolling internal audit strategic plan and 1-year internal audit plan	rolling internal audit strategic plan and 1 year internal audit plan	Committee on the 29 <sup>th</sup> of June 2012	Budget	Budget		Comments from National Treasury Provincial Treasury	incorporation of National and Provincial Treasury
Increased appropriate utilization of technology	To ensure best practices on organisation, methods and usage of modern technology	Ensure that at least 80% of Nkomazi employees have access and knowledge information	40% of Nkomazi municipality employees have access, knowledge of information and the public is	To ensure that all the satellite offices are in one network with the Malelane offices	Infrastructure implemented in all satellite offices. Everyone has access on the E-mails and	R1,500,000	R916 225	Yes	n/a	n/a

Organizational strategic objective	Departmental Strategic Objectives	Output measure	Baseline	Annual performance target		Annual budget		Output achievement (Yes, No )	Explanation of variance	Recommendation/ remedial strategy and action
				Planned	Actual	Planned	Actual			
		tion technology	able to have access on the public data		Internet					
Continuous institutional risk management	To manage institutional risks	Number of identified risks as per the risk register	22 high risks as per the risk register were monitored	Monitor all high risks as per the risk register	All high risks monitored as per the risk register	R100,000	R53 194.11	Yes	n/a	n/a
		Number of meetings	4 Risk Management Committee meetings were held	Coordinate 4 risk management committee meetings	4 risk management committee meetings held	Operational Budget	Operational Budget	Yes	n/a	n/a

Organizational strategic objective	Department al Strategic Objectives	Output measure	Baseline	Annual performance target		Annual budget		Output achievement (Yes, No )	Explanation of variance	Recommendation/ remedial strategy and action
				Planned	Actual	Planned	Actual			
			in 2010/2011 financial year							

## Summary of Audit Findings

### OUTSTANDING (X)

**Management Corrective Actions in response to Consolidated Audit Report findings raised by the Auditor-General for the year ended 2012**

No	Audit Finding	Corrective Action		
		Description of Management Action	Responsible General Manager	Targeted Completion Date

## Annual Performance Reports

Organisational Strategic Objective	Departmental Objectives	Output measure/ Indicator	Baseline	FY 2010/2011		FY2011/2012		Annual Budget 2011/12		Explanation of variance	Action Plan/ Corrective Measure	
				Planned	Actual	Planned	Actual	Planned	Actual			
KPA 1: BASIC SERVICE DELIVERY												
Ensure access to quality, sustainable and reliable municipal services in all wards	To provide access to high quality electricity.	1.1	Number/% of households receiving high quality of electricity and the maintenance done to make it sustainable.	Estimated electrification back log is: 9870 house holds	963 HHs	994 HHs	1) To install electricity to 2423 households. 2)To ensure that maintenance and refurbishment programs are implemented	Electricity installed to 2423, and all maintenance and refurbishment program done	R20,583,000	R5 790 000  R 1 183 714(re furbishment)	Fourth quarter expenditure not yet processed	
		1.2	Number of new connections		104 Urban areas small houses 38 business areas	New connections in Urban Areas 104 small houses and 38 Business Areas						
	To provide sustainable Infrastructure and universal	1.3	% of households with access to water	The water backlog is estimated at 25,167	16,719 HHS	8030 HHs Back log of 17137	6,292 households	1506 HHs	R 71,513,384 33276 364(SDBIP)	R51 550 027 .37	Late appointment of service provider(	

Organisational Strategic Objective	Departmental Objectives	Output measure/ Indicator	Baseline	FY 2010/2011		FY2011/2012		Annual Budget 2011/12		Explanation of variance	Action Plan/ Corrective Measure
				Planned	Actual	Planned	Actual	Planned	Actual		
KPA 1: BASIC SERVICE DELIVERY											
	access to high quality water	services	households							phosaville, phiva and masibekela(WT W) cash flow problem(Hhoyi reservoir, Tonga WTW phase 2)	
	To provide sustainable Infrastructure and universal access to high quality roads and storm water	1.4 number of KM in municipal road work maintained	Tarred road network is 186km Gravel road network is 13,150km	5km tarred road to reseal 3000km gravel road to maintain	2.5 km(Malelane )	2,5 km  3000km gravel road to maintain	2.5 km	R 24, 950,000	3 926 510 600 000( rehabilitation of Malelane cemetry access road	Komatipoort road resealed	
		1.5 umber of KM of road constructed		18km	7.5 km (Ntunda and Schulzend al bus route	24.8 KM	23 KM		57 641 129. 15	Lange loop not completed due to late appointment of service provider	
		1.6 Number of households with access to refuse removal and solid waste disposal	20,240 estimated backlog	None	None	Reduce backlog by 9,288	Not achieved	R5,300,000	R0	Evaluation processes delayed the procurement of equipment that will assist on reducing the backlog	
		1.7 Number of quarterly,	4 quarterly reports per	4 quarterly reports per	4 quarter report per	4 quarterly reports per	4 quarter report per	Operational budget	Operational budget	n/a	

Organisational Strategic Objective	Departmental Objectives	Output measure/ Indicator	Baseline	FY 2010/2011		FY2011/2012		Annual Budget 2011/12		Explanation of variance	Action Plan/ Corrective Measure
				Planned	Actual	Planned	Actual	Planned	Actual		
KPA 1: BASIC SERVICE DELIVERY											
		mid-term and annual reports reviewed	department  2 Mid-term reports per department  1 annual report	department  Mid-term reports per department  1 annual report	department , midterm report and Annual report submitted	department  Mid-term reports per department  1 annual report	department , midterm report and Annual report submitted				
		1.8 %compliance with Treasury regulations and best practices	98% Compliance with best practices and treasury regulations			100% compliance with Treasury regulations and best practices	100% compliance with Treasury regulations and best practices	None	None	n/a	n/a
A clean, safe and healthy environment in the municipality	To provide sustainable Infrastructure and universal access to high quality sanitation	1.9 (3000) number households access to sanitation services	Sanitation backlog is estimate at 26,842 households	1000 house holds	500 house holds	1000 households	1000 HHs	R 10, 000 000	6 674 876.39	n/a	
				Malelane and Komatipoort Sewer upgrade	Komatipoort sewer was not done due to cash flow . Malelane sewer not	Malelane and Komatipoort Sewer upgrade	komatipoort sewer	R6 000 000	5196 385	malel ane sewer was withdrawn due to environmental issues.	

Organisational Strategic Objective	Departmental Objectives	Output measure/ Indicator	Baseline	FY 2010/2011		FY2011/2012		Annual Budget 2011/12		Explanation of variance	Action Plan/ Corrective Measure
				Planned	Actual	Planned	Actual	Planned	Actual		
KPA 1: BASIC SERVICE DELIVERY											
					done due to delay from TSB to permit pipe route						
		1.10 Reduction in Number of injuries on duty And overall improvement of wellness in employees	8 audit conducted  4 injuries on duty  2.8% employees using the wellness programme	Malelane outfall sewer could not be completed due to delay from TSB to give permission for pipe route		16 audits to be conducted  16 awareness wellness meetings	16 audit meetings  16 awareness wellness meetings conducted	Operational budget	Operational budget	n/a	n/a
	To facilitate the process of human settlement and formalization of informal settlements	1.11 Township establishmen t project Tonga, Block C , Pholane , Mjejane	Layout planning finalized, tribal authority resolution acquired, draft conditions of establishme nt finalized,	5 of projects to be formalized ( Block C 30%, pholani 70%, Driekoppies 60%, Phosa Ville 60% and	Not achieved	Progress made with the township establishme nt ( Toga Block c, Pholane,Mje jane )	Tonga and Block C (application of the release of state land submitted to the DLA.  Pholane ( draft general	R 2 100 000	R98 328	Waiting for response from the Department of Land Affairs  Awaiting of signing of land availability	Make follow up with DLA  Request for the Office of the Municipal



Organisational Strategic Objective	Departmental Objectives	Output measure/ Indicator	Baseline	FY 2010/2011		FY2011/2012		Annual Budget 2011/12		Explanation of variance	Action Plan/ Corrective Measure
				Planned	Actual	Planned	Actual	Planned	Actual		
KPA 1: BASIC SERVICE DELIVERY											
			draft general plan amended to include the whole of Tonga C at a revised consultation (proposal), tribal authority resolution acquired, community resolution acquired	Kamhlushwa 60%)			plan submitted to SG Office)  Mjejane ( (			agreement between the municipality and the current owner of portion 3 of Pholane farm	Manager and Executive Mayor for assistance
Regular investment on infrastructure and productive equipment	To effectively and efficiently manage municipal assets	1.12 % current ratio (assets VS liabilities)	2.65% current ratio	Maintained ration 2%	Not maintained	Maintained ration 2%	Assets monitored and safeguarded	R600,000	12 547.30		
						Account for each asset on the asset register	Asset Management Policy received	R3,000,000	R523 501.99	n/a	n/a

## Chapter 6

# Council Oversight Report

**MPAC REPORT FOR THE 2010/11 FINANCIAL YEAR**



**MPAC Chairperson: Cllr Mkhumbane TC**

## **1. Background**

In January 2010 and in terms of section 79 of the Municipal Structures Act ,Nkomazi Municipality established its first Municipal Public Accounts Committee to review the 2009/10 Annual Report. The specific task of the committee was to review the performance information of the municipality for the 2009/10 financial year. In executing this role the MPAC relied mainly on the Annual Report with a specific focus on the AG report, the financial Statements and the general performance information of the municipality. The MPAC report for the 2009/10 financial year was tabled and approved by council in June 2010.

## **2. Appointment of the New MPAC**

In June 2011 the Nkomazi Municipal Council dissolved the old MPAC and per resolution **NKM: S-GCM: A060/2011** appointed a new 10 members MPAC consisting of the following Councillors:

- **Chairperson: Mkhumbane TC**
- **Lusibane N**
- **Silombo SR**
- **Hlahla B**
- **Ngomane L**
- **Nkambule G**
- **Mahlalela S**
- **Letsoalo M**

- **Makhubela BS**
- **Luphoko PC**

Amongst the key changes in the new committee it will be noted that whilst the previous committee was constituted in a manner as to include external members of the public; new guidelines have enjoined council to ensure that the current committee is made up of 10 serving Councillors of the municipality.

The committee commenced in earnest with its work by getting council to note its Terms of Reference per resolution **NKM: GCM: B036/2012**. The committee has also attended several training workshops which have increased its capacity to implement its mandate in the current period by reviewing the Annual Report for the 2010/11 financial year.

The communities were advised through public notices placed on our main and regional offices and libraries informing the public of the availability of the annual report and also inviting the community to make their written representations on the Report.

As a further precursor to the preparation of the 2010/11 oversight report; the committee has convened several meetings within itself, and also with the administration where the 2010/11 Annual Report was reviewed and questions were formulated.

Outlined below are the relevant comments on the textual and contextual matters that the committee has made on the Annual Report:

## **2.1 Textual Matters**

The committee resolved in respect of the textual corrections that it had made on the report that the administration should ensure that those are corrected before the final report is distributed.

## **4.3 Contextual Matters**

Having engaged with the report and formulated the relevant questions; the committee convened an interview session with the Municipal Manager and his administration. During this interview the municipal manager was able to respond to most the questions that were raised by the MPAC.

Outlined below are some of the salient matters that the MPAC engaged on during the interviews:

- The committee was not satisfied that the monthly monitoring of the electricity loses in the Mzinti area was sufficient to address electricity loss. In this regard management was called-upon to introduce effective monitoring and preventative mechanisms that could address this problem during the 2011/12 financial year.
- The committee expressed optimism at the proposed compliance checklist to improve governance on all supply chain transactions. The committee encourage the administration to ensure that the control measure is effectively implemented.

- The current reactive nature of the MPAC is another matter that the committee has considered; in this regard the committee raised concerns over the fact the currently the MPAC only become active after the annual report has been tabled. The committee recommends that the MPAC should have both proactive and reactive responsibilities and programmes that it will pursue before, during and after the tabling of the annual report. In this regard the following administrative support structure is proposed to support the work of the MPAC in Nkomazi:

## **MUNICIPAL PUBLIC ACCOUNT COMMITTEE STAFFING NEEDS**

- Establishment of MPAC office
- Fulltime secretary
- Legal adviser
- Researcher

## **Recommendations by MPAC**

- a. That council takes cognisance of the Oversight Report on the 2010/2011 Annual Report as submitted by the Oversight Committee.
- b. That Council, having fully considered the annual report of the municipality for the financial year 2010/2011, adopts the oversight report.
- c. That the Oversight Report be made public in accordance with section 129 (3) of the MFMA.
- d. That the Oversight Report on Annual Report 2010/2011 be submitted to the Provincial Legislature in accordance with section 132 (2) of the MFMA.

## **TERMS OF REFERENCE OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

### **1. Unforeseen and unavoidable expenditure (MFMA 29)**

- 1.1 Adjustment budget

### **2. Unauthorised, irregular or fruitless expenditure (MFMA 32)**

- 2.1 Certification, recovery, writing off of expenditure
- 2.2 Criminal and civil action instituted

### **3. Quarterly report by the mayor on the implementation of the budge/SDBIP [MFMA 52(d)]**

- 3.1 Recommendations on adjustments and other matters

#### **4. Monthly budget statements (MFMA 71)**

4.1 Recommendations on report

5. Mid-year budget and performance assessment (MFMA 88)

6. Mid-year budget and performance assessment of municipal entities (MFMA 124)

#### **7. Disclosures concerning councillors, directors and officials**

7.1 Salaries allowances and benefits of political office bearers and councillors

7.2 Arrears in excess of three months owed by councillors

7.3 Salaries, allowances and benefits of MM, CFO and senior managers

7.4 Salaries allowances and benefits of board of directors of municipal entities

7.5 Salaries, allowances and benefits of AC and Senior Managers of Municipality entities

#### **8. Submission and auditing of annual statements (MFMA 126)**

8.1 Monitor that it has been prepared and submitted

#### **9. Submission of the annual report (MFMA127)**

9.1 Monitor that it has been submitted alternatively explanation why not submitted

#### **10.Oversight report (MFMA 129)**

10.1 Prepare draft report

10.2 Consider all representations made to the council

10.3 Members of public allowed to address the committee)

11. Issues raised by the Auditor General (MFMA 131)

12. Ensure a fully functional audit committee is appointed (MFMA 166)

13. Disciplinary action instituted inters of the MFMA

14. Review of the IDP post-election if required (MFMA 25)

15. Annual review of the IDP (MFMA 34)

16. Performance management plan (MFMA 39)

17. Monitoring that the annual budget is informed by the IDP (Reg 6)

18. Monitor that all declaration of interest forms are completed by councillors on annual basis (MFMA 54 read with schedule 1)

## **Minutes of the Oversight Committee meeting held in the Executive Mayor's Boardroom, Head Office-Civic Centre, 9 Park Street, Malalane on Monday 28 May 2012, at 14H00**

### **MEMBERS PRESENT**

- TC Mkhumbane Chairperson
- Hlahla BA
- Letsoalo SM
- Luphoko PC
- Lusibane FN
- Mahlalela SS
- Makhubela BS
- Ngomane LP
- Nkambule GJ

### **OFFICIALS**

Ngwenya MD	Municipal Manager
Shabangu MB	Secretary
Shongwe DJ	
Bhiya NV	
Mdaka ES	
Singwane T	
Sifunda J	
Khoza BT	
Nkosi DS	
Makwakwa VJ	
Nhlambo WM	
Manzini SM	
Mdaka E	

#### **1. OPENING AND WELCOMING**

The Chairperson: Councillor TC Mkhumbane welcomed everybody present in a meeting. She also thanked all the officials for attending in a maximum participation and hope it was a fruitful one.

#### **2. LEAVE OF ABSENCE**

Leave of absence for SR Silombo was received and adopted.

#### **3. INTRODUCTION OF OFFICIALS AND COUNCILLORS**

All officials and Councillors present in the meeting were introduced.

#### **4. PROGRESS REPORT ON QUESTION RAISED BY THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

- Please note that the textual comments are referred to administration for correction.

##### **4.1 Page (135) 4th column, row number 3 “under Auditor General’s recommendation”.**

- *MPAC wishes to establish if a follow up to check whether the recommendations of the AG on the 2008/9 annual report were considered and dealt with before the due date.*

**Answer:** The municipality improved the AG opinions from a disclaimer to a qualified opinion on the following year, implying that the AG’s recommendations were implemented

- *Same page 3rd column “under Action Plan”- MPAC further wishes to establish if the envisaged training was conducted and if so, proof must be submitted.*

**Answer:** SCM Training was conducted for all senior managers by National Treasury.

##### **4.2 Page (136) 4th column, second row “under Auditor General’s recommendations”**

*MPAC seeks to establish if the envisaged evaluation of the SCM unit was done, and whether there is a formal report and/or process in this regard. If such written proof exists, it should be submitted to the MPAC during the planned reporting exercise.*

**Answer:** The SCM evaluation will be done at year-end, (relevant evaluation form was shown to the MPAC)

- *MPAC seeks clarity on the meaning and application of the 80/20 principle.*

**Answer:** The 80/20 rule working for the procurement goods up to a value of 1 million rand.

-The following formula is used to calculate the points for price in respect of Tenders including quotations from the value of R30, 000 up to a value of 1 million.

-20 points is for B-BBEE status of contributor

- *Same page: 3rd column under “Action Plan” - clarity is also required on whether the relevant form was completed and submitted; proof of same should be attached.*

**Answer:** The SCM evaluation checklist will be completed at year-end

##### **4.3 Page (137 - 144) 4th column under “Auditor General’s recommendations and the due date.**

- *MPAC requires a progress report on the implementation of the Auditor General’s recommendations for the period under review and before the due date.*

**Answer:** A progress report is attached as requested.



**4.4 Page (139) second row, under “Audit Finding”**

*Was the envisaged training conducted? a progress report on the training ?*

**Answer:** The proposed training was conducted as planned.

**4.5 Same page: 5th row, under “Nature and Auditor General’s Recommendation”**

*MPAC wishes to establish if the Accounting Officer did exercise the effective oversight on the IDP? Proof of such should be produced.*

**Answer:** The budget to implement the IDP was prepared and the Municipal Manager signed the budget certificate.

**4.6 Page (146) last column, “under commitments”.**

*“Progress on the implementations of the action plan will be presented to management on weekly basis.....”*

**Answer:** Management decided to make the action plan a standing item on management meetings. The Action plan is being discussed on management meetings.

- MPAC requires proof that progress reports on the implementation of the action plan are submitted on weekly basis.

**Answer :** minutes of management meetings are attached.

- **“A Follow up Audit by Internal Audit unit will be conducted in March 2012....”**  
- MPAC wishes to establish if this follow up Audit was conducted in March 2012?

**Answer:** A follow-up audit was performed as planned (**attached**)

**4.7 Page (147) last column, last row, “Governance”**

*MPAC required proof that the envisaged compliance check list for supply chain processes and other laws and regulations was finalized and implemented.*

**Answer:** The Compliance checklist (Payment pack checklist) was finalized and presented to a management meeting on Monday, the 21st of May 2012. This will be implemented as from the 1st of June 2012

**4.8 Page (225) under irregular expenditure, 4th paragraph**

*MPAC required administration to furnish it with a copy of the register of irregular expenditures that are referred to in the Annual Financial Statements.*

**Answer :** Copy was supplied.

**4.10 Page (235) “under explanation of significant variances greater than 10% versus Budget**

**Answer:** This will be done at year-end

A progress report on the review of the valuation roll is required.

**Answer:** A supplementary valuation was performed

**4.11 Page (242) number 13:**

*MPAC recommends that the electricity losses incurred must be evaluated, mitigated and Monitored.*

**Answer:** The municipality is monitoring electricity losses on monthly basis

**4.13 Page (244) “under procurement and contract management” number 24 and 25.**

- *MPAC requires clarity on how such was allowed to happen and who was involved.*

**Answer:** management report will be provided

**5. MUNICIPAL PUBLIC ACCOUNT COMMITTEE NEEDS**

- Establishment of MPAC office
- Fulltime secretary
- Legal adviser
- Researcher

**6. CLOSURE**

The meeting adjourned at 16h35



**CLLR. TC MKHUMBANE**

**CHAIRPERSON: NKOMAZI MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)**

**MINUTES OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE  
MEETING THAT WAS HELD ON TUESDAY 17 JULY 2012 AT EXECUTIVE  
MAYORS BOARDROOM, MALALANE AT 10H00**

PRESENT

**COUNCILLORS:**

**TC Mkhumbane**

Lusibane FN  
Makhubela BS  
Ngomane LP  
Nkambule GJ  
Silombo SR

**Chairperson**

**OFFICIAL**

Shongwe DJ

## 1. OPENING AND WELCOMING

The meeting was opened at 10H15 with a prayer by Councilor Lusibane FN, after which the Chairperson Councillor TC Mkhumbane welcomed all members of the Municipal Public Accounts Committee and officials present in the meeting.

## 2. APOLOGIES

Apologies were received from Councillor BA Hlahla, Councillor PC Luphoko, Councillor SS Mahlaela and Adv MB Shabangu

### **Resolved**

That leave of absence be granted to Councillor BA Hlahla, Councillor PC Luphoko, Councillor SS Mahlaela and Adv MB Shabangu

## 3. BUSINESS OF THE DAY

### 3.1. CONFIRMATION OF PREVIOUS MINUTES

Minutes of the previous meeting was approved.

### 3.2. MPAC REPORT

The Municipal Public Accounts Committee Report was approved.

### 3.3. PROPOSED DATES FOR THE 2012/2013 FINANCIAL YEAR

The proposed dates were noted.

## 4. DISCUSSION

### 4.1. OVER EXPENDITURE REPORT 2010/2011

4.1.1. *"Unauthorised expenditure still waiting authorization -88,319,786.00" need explanation from the Municipal Manager*

4.1.2. *"Over expenditure report 2010/11 table and over expenditure report summary 2010/11"*  
*need clarity why other votes was not budgeted and why the total unauthorized expenditure still waiting for authorization -101, 311, 364.00*

4.1.3. *need explanation on why the votes was under budgeted and the over expenditure of*  
*-89,394,145.94*

#### **4.2. MPAC REQUIRES**

4.2.1 The constitution of South African

4.2.2 Full time Chairperson for the MPAC

4.2.2 All departmental monthly report should be submitted to MPAC through the Municipal Manager

#### **5. ANNOUNCEMENT**


Next meeting will have a visitor from SALGA (Victor)

#### **6. WAY FORWARD**

- Date of the next meeting with Municipal Manager 01 August 2012

#### **7. CLOSURE**

The meeting was closed at 12h00 with a prayer by Councillor FN Lusibane.



**CLLR. TC MKHUMBANE**

**CHAIRPERSON: NKOMAZI MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)**